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FEATURES
How Kinnock stole a march p16
FINANCIAL FUTURES IN LONDON p17
'You need guts ... and luck'

SUMMARY

GENERAL

Pilots to end Soviet flight bar

The international pilot association has recommend that the 60-day ban on flights to the Soviet Union, imposed after a South Korean jumbo jet was shot down a month early.

The boycott is to end on Monday, in hopes of encouraging investigation into the incident and moves to stop anything similar happening again.

But the speed with which flights resume will depend on the line taken by airport ground staff. Page 2

Hormuz warning

Iran said it would no longer let ships through the Strait of Hormuz carrying arms for Iraq, after an Iraqi missile attack on two western towns killed 35 people. Page 2

Armenian bomb

Marseilles police said Armenian terrorists claimed they set off a bomb at a trade fair which killed at least one person and injured 24.

Independent line

Labour leadership contender Roy Hattersley said he would not feel bound to accept all party decisions if elected. Page 3

Viewers return

The television audience is growing again after last year's sharp drop, new statistics show. Most are watching ITV: Coronation Street figures are up 2m. Channel 4. Page 4

Anti-cruise test

Defence Minister Anders Thunborg said Sweden had successfully tested its ability to shoot down any U.S. cruise missile which might pass over its territory.

Shamir talks fail

Likud's leader Yitzhak Shamir is expected to try to form a right-wing Israeli coalition after talks with the Labour Party failed. Page 2

Envoy must go

Sweden told a Kenyan diplomat to leave the country after he was caught driving while drunk for the fifth time.

Soccer sentences

Fines and jail terms of up to five years were imposed on 32 Hungarians who rigged football matches and swindled 29m forints (£344,000) on the pools.

Mauritius plans

The Mauritius Cabinet approved draft constitutional amendments to make the island a republic within the Commonwealth.

Dutch treat

Both BBC-TV channels could be carried on Dutch cable networks if agreement is reached in new talks. Page 4

Briefly . . .

Mrs Thatcher ended her North American visit.

Irish President Patrick Hillery is to stand for another seven-year term.

U.S. President Reagan and Egypt's President Mubarak met for talks on Lebanon.

BUSINESS

Austerity budget proposed for Italy

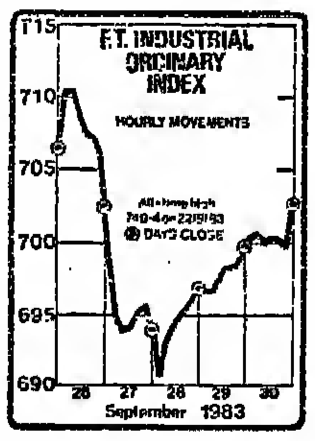
● ITALIAN Government presented a 1984 budget calling for higher taxes and cuts in welfare spending. Back Page

● DOLLAR fell in spite of a firm Fed funds rate. It eased to DM 2.631 (DM 2.64051), FFr 7.9925 (FFr 8.01), SwFr 2.1205 (SwFr 2.1305) and Y235.6 (Y236.75). Trade weighted index was 127 (127.4). Page 21

● STERLING slipped on fears of lower base rates, dropping 35 points to $1.497. It also eased to DM 3.94 (DM 3.965), FFr 11.965 (FFr 12.015), SwFr 3.1775 (SwFr 3.21) and Y353 (Y355.5). Trade weighted index was 83.8 (84.3). Page 21

● GOLD fell $2.75 to $405.875 in London. In New York, the Comex October settlement was $401.9 ($405.3). Page 21

● EQUITIES were quiet. The FT Industrial Ordinary index closed 2.9 higher at 702.6, reducing its loss on the week to 4.3. Page 24



● GILTS were listless with little movement in shorts, and longs easing by up to ¼. Page 24

● WALL STREET was down 0.14 at 1,231.00 near the close. Page 20

● IMF managing director Mr Jacques de Larosiere praised Brazil's austerity programme in a move to bolster support for its debt rescue package. Back Page

● U.S. index of leading economic indicators fell 0.1 per cent in August, the first drop for a year. Page 2

● JAPANESE unemployment reached a record 2.8 per cent in August. Page 2

● GOVERNMENT may oppose EEC legislation on worker involvement in industry. Page 3

● LONDON TRANSPORT is to shed 1,000 jobs at one depot, and 1,000 at another are under threat. Page 4: Metal Box to axe 470 jobs, Page 4

● CREUSOT - LOIRE, French engineering concern, stepped up pressure on the Government to resolve its financial problems. Back Page

● ELF AQUITAINE oil group more than doubled net consolidated income to FFr 2.7bn (£225m) in the first half. Page 23

● TOTAL GROUP, textile manufacturer, saw pre-tax profits fall from £5.18m to £4.47m in the six months to July 31. Page 18

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Air Call	400	+ 25
Amstrad	458	+ 33
Australmax (KO) Int	11	+ 2½
Bath & Portland	132	+ 6
Belair Cosmetics	600	+ 25
Hurst (Charles)	90	+ 7
ICI	552	+ 6
Imperial Group	119	+ 4
Laporte Inds	292	+ 12
Marshall's Universal	56	+ 8
Spear Jackson Int	114	+ 6
Twinlock	68	+ 8
Atlantic Resources	515	+ 40
Candecca Resources	155	+ 10
KCA International	40	+ 8
FALLS		
Barclays Bank	437	− 13
Cable & Wireless	420	− 8
Chemical Methods	55	− 15
Cocksedge	21	− 5
Inter-City Inv.	71	− 6
Mnemos	46½	− 4½
Security Tag Sys	450	− 30
Superdrug Stores	250	− 8
Tiger Kemsley	23	− 3
UKC Intnl	50	− 5
BP (partly paid)	204	− 6
Britoil	234	− 8
Oil & Gas: Eglinton	270	− 10
Gold Mns: Kalgoorlie	560	− 40
Homestake Mining	£9[illegible]	− 1¼
Otter Exploration	7	− 5
Poseidon	35	− 22
RTZ	60[illegible]	− 9
Rustenburg Plat	615	− 35
Whim Creek	175	− 12
Winkelhaak	£27[illegible]	− 2

Spending curbs slow privatisation of BA

BY JOHN PLENDER

THE HOPES of Lord King, chairman of British Airways, to privatise the technically insolvent airline by autumn 1984 have met big obstacles in Whitehall because of constraints on public expenditure.

As a prelude to flotation, British Airways, which disclosed a pre-tax profit of £62m in the year to March 31, is expected to go through a scheme of arrangement in the courts to write down its capital.

The state-owned airline's board hopes that the Government will put in cash to help eliminate the deficit on the airline's profit and loss account. That would allow dividends to be paid out of future profits. The size of the outlay will depend on British Airways' current profitability but is thought unlikely to exceed £100m.

However, even assuming that these funds are available, the Treasury is hostile to a British Airways' proposal to issue fresh equity to the Government for £700m or so in cash, which could be used to reduce the airline's debt burden of more than £1bn.

Objections hinge on the fact that the taxpayer would shoulder most of the risk of the flotation because the Government, rather than British Airways, would be offering the shares to the public. The amount the shares would fetch would be dependent on market conditions at the time and is highly uncertain.

Part of the problem stems from the unusually long period between completion of the scheme of arrangement and the publication of the prospectus. Between 100 and 200 days could be needed to vest British Airways' licences in the new public limited company that could emerge. This —?—?—? together with the risk of delay due to adverse stock market conditions, could lead to an unwanted temporary addition to the public sector borrowing requirement.

One alternative under consideration is an issue of shares to the public by British Airways, with the cash proceeds to flow directly to the company. The proposal would involve the Government retaining shares acquired through the scheme of arrangement. The British Airways board, however, would like to see the Government divest itself of its whole stake in the enterprise.

The timing of the share sale is also a potential bone of contention between British Airways and Whitehall. By any standards, the flotation of the revamped British Airways will be a difficult exercise, even if Lord King manages to deliver the expected big increase in profits this year.

As well as the problems in the capital reconstruction, there are contingent liabilities in relation to index-linked pensions and to legal action in the U.S. over Laker Airways. On both counts, the Government is understandably reluctant to provide an open-ended indemnity to the company.

With so many uncertainties in the background, British Airways will want to respond quickly to any favourable movement in share prices on Wall Street and in London. But British Telecom heads the queue of would-be state entrants to the private sector.

So far, Whitehall has listened to the airline's case for queue-jumping, but not conceded the point. The board is worried that privatisation might be deferred until a politically sensitive period before the next general election when the profit outlook could be less rosy.

The difficulty of timing British Airways' shift to the private sector has been further underlined by the recent move by Continental Airlines to file protection from its creditors under Chapter 11 of the U.S. bankruptcy laws. Eastern Airlines is also expected to consider filing for protection if its workers fail to accept a substantial pay cut.

NCB makes 'final' offer of 5.2% to mineworkers

BY JOHN LLOYD, INDUSTRIAL EDITOR

THE National Coal Board has made a first and "final" offer to the National Union of Mineworkers of a pay rise of 5.2 per cent on basic rates.

The board told mineworkers' leaders that its main problem was that production was running far ahead of sales.

In a statement to the union it said that "our finances are totally out of keeping with the real needs of the industry and must be put right in the interests of all concerned."

The offer appears a generous one against a Government target of a 3 per cent rise in wage costs in the areas it directly controls. However, it would mean a rise of only 3.8 per cent for mineworkers in average earnings. Mr Arthur Scargill, the NUM president, said the increase would put less than 3 per cent on the NCB's wage costs.

His response was low key by his ebullient standards. He said he would take the offer to a meeting of his executive in Brighton today. The executive would also discuss the prospects for pit closures raised by Mr James Cowan, the NCB deputy director, who led the pay talks.

Mr Scargill said that the offer fell far short of the "substantial" claim made by the NUM earlier this week and emphatically declined an invitation repeated by Mr Cowan to join other unions and the board in seeking ways to deal with the over capacity in the industry.

The union leader made no threats of industrial action, however, and merely repeated assertions to the effect that the board had undervalued its stocks of coal by £200m, so turning a potential profit into loss.

The NCB's sombre statement emphasises the continuing build-up of stocks. Customers have refused to take any more coal to put to stock and the board now has to add all excess production to its present stockpile of 24m tonnes, costing it £100m a year in interest charges alone.

Its overall price increase this year will be about 2½ per cent on reduced sales. The statement said: "We cannot expect to sell more coal. The market simply does not exist, so our possible extra income is limited . . . on the most optimistic view we shall . . . finish the year with heavy losses" (previously estimated at about £185m, after payment of grants).

Mr Cowan said after the meeting that "if this industry is to succeed we have to generate an interest in developing productivity increases and at the same time we have to take out surplus capacity."

He said that: "I am always concerned about Mr Scargill's negative leadership. The only words he can use are confrontation and conflict. We have to have dialogue. We are dealing with human beings and we have to solve the problems by talking together."

The proposed pay rise would give an extra £6.80 to the highest paid faceworkers, raising their basic rate from £130.30 a week to £137.10, and boost surface workers' basic rates by £5.75 from £110.90 to £116.65.

Faceworkers earn an average of £178.93 a week including incentive payments and surface workers £148.27.

Ford pay offer, Page 4

Labour may have to sell HQ

BY JOHN LLOYD, INDUSTRIAL EDITOR

THE TRADES Unions for a Labour Victory organisation has called a meeting of union and party leaders in London on November 5 to confront the twin crises of finance and electoral support which face the Labour movement.

The financial position is grave. Among the options being considered is the sale of the recently-purchased party headquarters in Walworth Road.

Estimates of its worth on the open market range up to £2m, but any sale would be complex. It is essentially owned by the Trades Union Consortium, set up by Trades Union for Labour Victory, and leased to the party on terms which have resulted in the party's freehold interest being valued at a nominal £1,000.

The sale could face the party with the grim necessity of finding more modest, rented offices. The acquisition of the property in 1979 released the party from its cramped accommodation in Transport House, the Transport and General Workers' headquarters.

One of the main financial pressures on the party is the expected consequence of the decision by an employment appeal tribunal this week that the Association of Scientific, Technical and Managerial Staffs had wrongly contributed £42,952 from its general fund to assist the £1.3m investment made by the unions in the Walworth Road offices.

That could be met by the union using its political fund to pay back its general fund, but, if it cannot, it might be forced to withdraw its investment.

Four other unions with a total of nearly £500,000 invested in the offices face similar actions and still more have made investments from their general funds. The Labour Party is consulting its lawyers on the issue.

The other likely pressure would come from the inclusion of a requirement in the forthcoming legislation on

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Habitat steps in on Richard Shops deal

By Ray Maughan

HABITAT MOTHERCARE, the household goods, maternity and children's clothing group headed by Sir Terence Conran, last night came in with £30.3m to save the management-inspired buy-out of Richard Shops, the multiple womenswear retailer.

Richard Shops is being sold by Hanson Trust, the industrial holding company, which has controlled the chain since it paid £260m for UDS Group in April. Hanson sold UDS' shoe shop subsidiary, William Timpson, to its management yesterday for £40.4m and also disposed of the John Collier menswear retailer in a management buy-out worth £47.5m.

Richard Shops has a price tag of £56.5m but Midland Bank has put up £26.2m of the consideration, pending the sale of the company's surplus assets and Habitat Mothercare has paid the balance of £30.3m.

The deal has been arranged through an associated company of Habitat in which Richard Shops' management, headed by Mr Tony Stafford, will have a 4.3 per cent stake.

Finance had been available for the Collier buy-out for some time, largely because the purchase price called for only £5.5m of equity finance. The Richard Shops deal, by contrast, has been very much more difficult to arrange.

Hanson, which has insisted through the negotiations that all disposals must be completed by yesterday's deadline, made it plain that both Collier and Richard Shops had to be sold together as a package.

If either or both deals folded for any reason, Burton Group, which has been trying to put together a deal to buy the same chains, was to have been offered first refusal.

Lanrie Milbank, the stockbroking firm which sponsored the buy-out of both chains, admitted yesterday that "not enough institutions were prepared to back Richard Shops." But Sir Terence was able to step in at mid-day on Thursday to pull off a deal he has been considering since Hanson took control of UDS.

Sir Terence explained yester-

Continued on Back Page

Fewer job cuts sought in NHS

BY GARETH GRIFFITHS

THE GOVERNMENT has been forced by regional health authorities to reduce substantially the number of jobs it wants cut in the National Health Service. In addition, the cuts appear to be concentrated much more heavily in auxiliary services such as catering and laundry than the Government had planned.

Under revised targets for England unveiled yesterday by Mr Norman Fowler, Social Services Secretary, some 4,837 jobs will be cut by the end of March next year. This is equivalent to a 0.5 per cent reduction compared with the cut of 0.75 per cent to 1 per cent—6,000 to 8,000 jobs—in the Government's targets published in July.

Since then health authorities and health unions, including the British Medical Association, have mounted a vigorous campaign against the cuts. The new targets still seem likely to run into union opposition, especially from the unions representing auxiliary workers. Further jobs may also go in the next financial year.

Yesterday the review of manpower targets for the 14 English regional health authorities was completed—no cuts are proposed for Wales while Scotland is the responsibility of the Scottish Office.

Mr Fowler described the final package as a "sensible conclusion" to discussions between the Government and health authorities.

"The NHS will now be on a much better footing to plan its use of manpower and to ensure that when it employs more staff for new services in the future it is using them to the best advantage," Mr Fowler said. By taking a firm grip on manpower the Goverment could provide a better base for developing the service.

The cuts are estimated to produce a saving of £40m in a full financial year.

Staff employed by the NHS will drop from 817,633 on March 31, to 812,796 on March 31 next year.

The last three regions to announce manpower targets did so yesterday. The North East Thames regional authority will cut staff by 1,200 from 73,749, the West Midlands by 140 from 84,050 and the North Western authority by 562 jobs from a total of 78,160.

Four regions gain staff because of expanding health needs. They are Trent, East Anglia, Wessex and Oxford. Particularly hard hit are the four regions in London, where staff cuts total 4,011.

Ministers say the majority of the reduction will be made through natural wastage and restrictions on recruitment.

Mr Kenneth Clarke, the Health Minister, said the target exercise had led to the entire NHS looking at its manpower. The exercise next year would not be so rushed and would be based on more information.

The Government is playing down the surprise it felt at the scale of public opposition to the proposed manpower cuts, the first in the NHS for 30 years. An exercise in manpower planning has been going on since July 1982 and ministers say the reviews were part of that.

Mr Fowler said yesterday that the original targets were only indicative and provided a basis for discussion. "I said in July that we would discuss with regions any local factors which they felt required a change in the figures."

He did not think the difference between the target reductions and those to be achieved was "particularly important." Neither did he feel it would affect his department's standing in the current negotiations over next year's public spending.

Regional health authority staff who took part in ministerial discussions over cuts said the atmosphere was "rather like pay bargaining." Some of the regions said privately last night that the Government had been forced to reduce its target cuts because of the political implications.

Ministers said last night they wanted resources to go into improving NHS facilities rather than simply keeping up numbers.

Tory concern, Back Page

£ in New York

	Sept. 29	Prev...
Spot	$1.4935-4945	$1.500...
1 month	nil-0.02pm	0.02 d...
3 months	0.06-0.08pm	0.01-0...
12 months	0.49-0.54pm	0.45 0...

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[illegible] ON GROUND STAFF UNIONS

Argentina's creditors delay loan instalment

By Peter Montagnon, Euromarkets Correspondent

ARGENTINA'S commercial bank creditors are to delay disbursing a $500m loan instalment because of this week's court case in Argentina which froze further progress on the country's debt rescheduling efforts.

Sr Julio Gonzales del Solar, Argentina's Central Bank President, asked creditor banks earlier this week for the instalment to be paid on October 4, but the banks have now put this date back by nearly two weeks to October 17. The money is the first tranche of a $1.5bn (£1bn) credit syndicated for Argentina as part of its debt rescue package.

Creditor banks will be asked to waive a condition that a substantial part of the country's proposed $6bn public sector debt rescheduling package had been completed before the disbursement took place. The Government in Buenos Aires has said it will appeal in a higher court against this week's ruling by a provincial judge, but after further consideration creditor banks have decided to wait before disbursing any money.

Assuming the disbursement does go ahead on October 17, Argentina will immediately use $750m of the funds to repay part of the $1.1bn bridging loan arranged by creditor banks earlier this year.

Anti-Reagan poll

Significantly more Americans disapprove of President Reagan's conduct of foreign policy than approve for the first time since he took office, according to an opinion poll published yesterday, Reuter reports from New York.

Davis Cup picketed

The Davis Cup tennis match between Ireland and the U.S. in Dublin was picketed by workers from the Dunlop factory in Cork, which closed yesterday with the loss of almost 700 jobs. The picketers handed in a petition addressed to Mr John McEnroe, the U.S. star who has a sponsorship contract for Dunlop sportswear, our Dublin correspondent writes.

Mugabe victory

An independent candidate supporting Zimbabwe's Prime Minister Robert Mugabe's black socialist government has won a by-election for a reserved white national assembly seat in a traditionally conservative constituency, AP reports from Harare.

Johannesburg demo

BLACK office staff at Anglo American, the Johannesburg mining house, took part in a demonstration in support of a black employee who had been forced on early retirement, Jim Jones reports from Johannesburg.

Inflation pledge

Brazil's President Joao Figueiredo, speaking on national television, said the government would take "drastic ... definitive measures" to cut rocketing inflation, AP-DJ reports from Brasilia.

De Lorean delay

A federal bankruptcy judge yesterday granted John Z. De Lorean and another investor more time to file their plan to reorganise the failed De Lorean Motor Co, an attorney said, AP reports from Detroit.

Drugs 'recovery'

The Swiss chemical industry expects a modest recovery and on returns for the first half of this year, Anthony McDermott reports from Geneva.

Pilots want to end Soviet flights ban

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

AIR SERVICES between many Western countries and the Soviet Union, which were suspended more than two weeks ago following the downing of the Korean Air Lines' Jumbo jet, are likely to return to normal in the next few days.

The ban on flights by Aeroflot, the Soviet Airline, was imposed for 15 days by many Western governments from September 15 and ended at midnight on Thursday. But the speed with which Aeroflot flights can resume depends on the attitudes of ground staffs in many trades unions affiliated to the International Transport Workers' Federation which have been blacking Aeroflot and other flights to the Soviet Union.

This is the case with Heathrow Airport, London, where ground workers have refused to handle Aeroflot operations. British Airways was uncertain yesterday when it would be able to resume flights to Moscow, although it was hoping that the Transport workers would lift their ban this weekend.

The International Federation of Air Line Pilots' Associations has recommended to member-bodies in Western countries that its own 60 days' ban on Western flights to the Soviet Union, imposed in advance of the governmental ban on Aeroflot, should be "suspended" from Monday. The British Air Line Pilots' Association immediately said it would accept the Ifalpa recommendation.

Originally, the Ifalpa ban was scheduled to be reviewed after 30 days. But, in view of the swift reactions to the Korean Air Lines' incident by the International Civil Aviation Organisation (ICAO) and Western governments, the Ifalpa feels that an earlier suspension of its ban is justified. However, Ifalpa stresses that it could recommend reimposition of the pilots' ban if satisfactory progress is not made in the three main areas of action now being implemented by the ICAO.

These are:

● An investigation by the ICAO into the circumstances of the Korean Air Lines incident, with an interim report due to be completed by October 15.

● The issue by December 16 of an ICAO Air Navigation Commission report, recommending improvements to the Chicago Civil Aviation Convention of 1944 which sets out the rules governing military interception of civil aircraft.

● Action by the full ICAO Assembly during the first three months of next year to outlaw military attacks of any kind on civil aircraft.

The Ifalpa, whose member-bodies represent about 57,000 pilots, believe that its original 60-days' ban has achieved its first objective — concentrating the minds of governments and aviation bodies on the problem.

The bans, both governmental and by pilots and trades unions, have effectively halted all flights between the Soviet Union and much of Western Europe, North America, and Japan.

The pilots feel that, so far at least, they have made their point and they are waiting to see what governments do in the international forum of the ICAO before taking any further action.

Japan records highest-ever jobless rate

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

JAPAN'S seasonally-adjusted unemployment rate in August rose to its highest level since the Prime Minister's office started issuing statistics in 1953. The seasonally-adjusted rate of 2.80 per cent was up 0.29 points on the previous month's level and 0.5 per cent above the rate for August 1982. The previous high was in January this year, at 2.72 per cent.

The year-on-year increase in the total number of people either in jobs or seeking employment came out at a substantially larger 1.8 per cent. This breaks down into a 0.8 per cent increase in the number of men in the labour force and a 3.4 per cent rise in the number of women.

The unadjusted unemployment figure rose in August to 1.58m from 1.44m in July and 1.30m a year earlier. The office said that there had been a marked increase in the number of married women seeking jobs. One result of this increase seems to have been distortion of the formula used for seasonally adjusting the unemployment figures. This is based on the assumption that relatively small numbers of married women seek work during the summer holidays.

Confirmation of the Government's claim that the employment situation is not deteriorating as fast as the latest unemployment figures suggest comes from a separate series of figures issued by the Ministry of Labour, which shows the ratio job seekers and job opportunities.

The figures show a 1.1 per cent rise in the number of job-seekers in August as compared with the same month of the previous year against a 3.2 per cent rise in the number of job offers. The improvement in the ratio of job offers to the job seekers was sharpest in the manufacturing industries where the ratio rose by 14.9 per cent over year-ago levels.

Japan's labour force is still predominantly male, with 34.83m either working or looking for work at the end of August, as compared with 22.99m women. The traditions whereby most women stay in full-time employment only up to the time of their marriage seems to be weakening.

The cost of living index for central Tokyo showed a rise of only 0.7 per cent from a year ago at the end of September, the Government announced. This marks the first time in 24 years that the index has risen by under 1 per cent. The slow rate of increase was put down to good weather in contrast with the typhoons of September 1982 which affected food prices.

KLM in $200m deal with Boeing

By Simon Geschwindt in Utrecht

ROYAL DUTCH AIRLINES, KLM, is spending about $200m (£133m) to purchase one Boeing 747-300 and to convert 10 of its 16 747-200 fleet to 300 specifications. Conversion includes extending the upper deck to increase capacity by 45 seats and engine rebuilding to raise the payload to weight ratio.

The 300 claims an improved operating efficiency compared with the 200. Boeing will supply KLM with a new 300 for November 1984 delivery when the conversion programme is scheduled to begin. KLM originally placed the order for the new Boeing for delivery in 1986, but earlier delivery is necessary to top up capacity while converting the 10 aircraft. Conversion takes about 2½ months for each plane.

The 200s being converted are fited with General Electric engines which, KLM says, are more suitable for modification than the Pratt and Whitney engines in the six remaining 200s.

Boeing today delivered a new USD100M 747-300, not included in the latest deal, to KLM at Amsterdam's Schipol Airport. Completion of the conversion programme by mid-1986 will give KLM a fleet of 23 intercontinental wide-body airliners comprising 12 Boeing 747-300s, six 747-200s and five DC-10 30s.

A KLM spokesman said yesterday that finance details have not been finalised, but that the deal would be financed partly from cash flow supplemented by bank loans and possible lease-back arrangements.

U.S. economic index falls 0.1%

BY ANATOLE KALETSKY IN WASHINGTON

THE U.S. index of leading economic indicators fell by 0.1 per cent in August, the Commerce Department reported yesterday.

The marginal decline, the first since August last year, added to the evidence suggesting the U.S. economic recovery is now slowing. It did not suggest, however, that the recovery is in danger of fizzling out.

The leading index, which is supposed to forecast turning points in the economy between three and nine months before they actually occur, is normally considered significant only when it moves in the same direction for several months in a row.

August's one-month decline will therefore not cause concern unless it is followed by several more monthly falls.

The fact that yesterday's announcement of the August index was also accompanied by an upward revision of the July index, from an increase of 0.3 per cent to 0.8 per cent, further detracted from any bearish implications.

The August index was also less accurate than usual because it omitted figures on business inventories and changes in consumer credit which were not available.

These figures could well lead to a significant upward revision of the August index.

Nevertheless, it is becoming increasingly clear that the rapid U.S. economic growth rates of 9.7 per cent in the second quarter and 7 per cent in the third quarter will moderate in the months ahead.

Most economists now expect the fourth quarter growth to be in the 4 per cent to 6 per cent range.

By the first quarter of next year, growth could be down to 3 per cent or less as higher inflation erodes real incomes and housing activity declines in a response to this summer's high interest rates.

In the shorter term, the latest weekly figures on car sales and unemployment claims suggest that September could prove substantially stronger than August for the economy as a whole.

Further U.S. bank rule change

BY PAUL TAYLOR IN NEW YORK

U.S. BANK savers face yet another period of confusion over which bank and which type of account to choose after today.

The banks are expected to offer a new array of accounts and special introductory offers following the latest step in the deregulation of bank deposit interest rates.

From today, the federally-imposed interest rate ceilings on certificate of deposit will be abolished allowing banks to pay what they choose. The move also eliminates minimum balance requirements on new certificates of deposit for between 32 days and two and a half years.

The change is likely to spark a new wave of aggressive bank competition for deposits with interest rates on the popular six-month certificates of deposit, expected to increase by about one percentage point to about 10.5 per cent.

However, bankers also expect a period of customer confusion over the new accounts, similar to that following the introduction of money market rate accounts at the start of the year.

The impact on the banks themselves is also likely to be confused for some time. While many banks have benefited from deregulation of interest rates others have found their cost of funds pushed up squeezing margins.

This latest change comes at a time when the Federal Deposit Insurance Corporation, the Government supervisory agency which insures bank accounts, is reporting a sharp rise in the number of U.S. banks on its "problem list."

The FDIC said 597 banks are currently on the list for serious difficulties needing close supervision—the highest number since it began keeping the list in the mid-1940s. The total has been rising since December 1980. At the end of last year, the agency listed 369 problem banks. The FDIC says the total is now expected to reach over 600, and may keep rising.

The FDIC identifies the impact of the recession on bank borrowers as the major cause of the increase. Banks that hold large volumes of energy and property loans have been especially hard hit.

Despite the increase in the number of banks at risk, the FDIC says only a small number are likely to fail. Last year, 42 banks failed. So far this year, 38 banks have collapsed.

Philippines suffers flight of capital

By Peter Montagnon in Washington and Emilia Tagaza in Manila

THE PHILIPPINES has suffered a capital flight of $200m (£133m) as a result of the instability which followed the assassination of Mr Benigno Aquino, the opposition leader, a month ago.

The country would not, however, need to renegotiate its $17bn foreign debt according to Mr Cesar Virata, the Prime Minister, who is attending the International Monetary Fund meeting in Washington.

Mr Virata disclosed the sum as police in Manila used tear gas and water cannons to disperse yet another demonstration calling for the resignation of President Ferdinand Marcos.

Mr Virata told journalists that his country's relations with its commercial bank creditors had not been affected by the assassination and it is "able to meet its daily requirements" in the interbank market.

About $4.5bn of the Philippines' foreign debt is short term. Following the assassination, there were fears that short-term credit would be rapidly withdrawn, prompting a serious liquidity crisis for the country.

In Manila employees and executives in the capital's business districts held spontaneous rallies to protest against the continued rule of President Marcos.

In Ayala Avenue, Manila's Wall Street, about 3,000 people were dispersed by about 300 anti-riot police using tear gas and water hose.

Gen Ruben Escarcha, the police chief in Manila's eastern districts, said his men were forced to disperse the crowd because some demonstrators started throwing bottles and firecrackers. He said six of his men were injured.

In Ortigas Avenue, another business district, hundreds of employees also held "lightnings" rallies.

The Government said last week it would clamp down on protest rallies following the bloody confrontation between demonstrators and police outside the presidential palace on September 21.

The Government also appears to be starting to clamp down on the press. On Thursday, police padlocked the office of the Philippine Times, and yesterday they arrested Mr Roberto Coloma, a Filipino reporter for Agence France-Presse (AFP), only to release him several hours later.

Mr Enrique Fernando, the chairman of the controversial committee created by President Marcos to investigate the Aquino slaying has resigned as commission head. Mr Arturo Tolentino, Minister of State for Foreign Affairs, has been appointed to replace him.

Weinberger set to meet Zia

By Our Foreign Staff

THE U.S. Defence Secretary, Mr Caspar Weinberger, arrived in Pakistan last night as fresh troops were deployed throughout the troubled province of Sind in an effort to prevent further violence after Thursday's shooting of more than 20 people.

President Zia ul-Haq is expected to press Mr Weinberger for an assurance that the 1984 slice of America's $3.2bn arms and economic aid package will be delivered on schedule.

Gulf shipping fears grow after Iraqi missile attack on Iran

BY ROGER MATTHEWS

THE THREAT of Iranian interference with international shipping in the Gulf increased yesterday after an Iraqi missile attack on two western Iranian towns.

The Iranian news agency said that 40 people had been killed and over 250 wounded early yesterday in the towns of Dezful and Andimeshk. The missiles used are thought to have been either the Frog-7 or the Scud-B, both of which are supplied by the Soviet Union.

The missiles carry a high explosive warhead and are reported to have caused damage over a wide area. Yesterday's attack was the latest in a series launched by Iraq and earlier this week led Mr Ali Khamanei, the Iranian President, to threaten action against vessels delivering such weapons to neighbouring Arab ports.

In an obvious reference to Kuwait, Mr Khamanei said that Iran would restrict shipping in the Gulf if Arab countries allowed their ports to be used for the transfer of war materials to Iraq.

Under international law, Iran would have the right to stop and search vessels approaching Kuwait if it named that country as a co-belligerent in the Gulf war.

Three times since the war started in September 1980, Iranian aircraft have undertaken bombing raids inside Kuwaiti territory.

Iraq's missile attack followed an overnight warning of retaliation by Baghdad because of Iranian shelling of border towns along the northern part of the battlefront.

France has meanwhile let it be known that it is delaying delivery to Iraq of Super Etendard aircraft equipped with Exocet missiles. The risk of this weapons system being used against tankers in the Gulf led to heavy international pressure on France to call off the sale.

Mrs Margaret Thatcher, the British Prime Minister, will have an opportunity to assess Iraqi attitudes when Mr Taha [illegible] Ramadhan, the first deputy premier, visits London for three days of talks next week.

Talks on Lebanon peace conference hit problems

BY NORA BOUSTANY IN BEIRUT

BEIRUT — Lebanese officials were yesterday still struggling to set a venue and date for a national reconciliation conference as a Saudi and American-mediated ceasefire was challenged in the Chouf and mountains.

Syria was reportedly insisting that the national entente conference be held in an area outside Lebanese-Government control. Prime Minister Chafiq Al Wazzan announced that the venue would be decided within two days. [illegible] to hold the talks [illegible] Arabia appears to have [illegible] turned down following [illegible] objections. Damascus will [illegible] ing the crucial discussions on Lebanon's political [illegible] as observer.

Delegates to the conference are expected to decide [illegible] a national unity government and general principles for political reforms aimed at providing [illegible] a more equal distribution of power among Christians and Moslems.

Shamir talks with Peres fail

BY DAVID LENNON IN TEL AVIV

MR YITZHAK SHAMIR, the leader of Israel's ruling Likud bloc, is expected to move rapidly next week towards forming a new right-wing coalition government after the failure of the talks with the Labour Party on establishing a national unity government.

Mr Shamir, who was asked by the President 10 days ago to try to form a government, will now try to win Knesset approval for the same coalition of 64 members of the 120-seat Parliament which comprised the outgoing government.

The success of his efforts will depend on the attitude of six members of the Likud bloc who had urged Mr Shamir to try to bring Labour, the main opposition party, into a government of national unity.

Mr Shimon Peres, the Labour Party chairman, yesterday said that the gap between Labour and Likud over Lebanon and the future of the West Bank proved too wide to be bridgeable.

The key area of disagreement was over the question of Jewish settlement in [illegible] the West Bank. Labour [illegible] such settlement [illegible] Likud refused to give [illegible] undertaking.

Spain presses ITT to reassess job plans

BY TOM BURNS IN MADRID

ITT, the telecommunications multinational, is under strong pressure from the Spanish government to reassess its plans for reducing by a third the labour force of its Spanish subsidiaries, Standard Electrica and Marconi.

Sr Carlos Solchaga, the Industry Minister, told ITT-Europe's president Mr Daniel F Weadok at a meeting in Madrid on Thursday that such a redundancy rate was unacceptable.

The Minister reportedly pressed for more investment and greater diversification at the Spanish subsidiaries.

Sr Solchaga [illegible] to have [illegible] if ITT scaled down [illegible] redundancies. Standard Electrica has a 16,000 labour force and Marconi employs 2,000. The group plans to axe some 6,000 jobs, virtually all in the Madrid area, over the next three years.

Industry [illegible] said Mr Weadok blamed [illegible] shortfall in orders from [illegible] national telephone company [illegible] its switch to digital [illegible] for the job losses.

The Compania Nacional Telefonica accounts for 70 per cent of the group's sales in Spain and orders [illegible] recently dipped by as much as 25 per cent.

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Nancy Dunne looks back at 25 years of space exploration

Nasa—delight turns to indifference

WHILE SPEEDING through space last August, a U.S. satellite with an infrared telescope discovered what scientists believe to be a complete solar system within our galaxy. It was said to be an important discovery—a solar system at an early stage of development, from which something could be learned about our own beginnings.

For most Americans, the news went barely heeded amid concern over conflicts in Central America and Middle East, jittery economies, and of elderly people—and crops—dying in the summer's unrelenting heat.

The fact is the drama has gone out of the space programme, under the auspices of the National Aeronautics and Space Administration (Nasa) which is 25 years old today.

Perhaps Americans lost interest when "democracy triumphed," and the U.S. beat the Russians to the Moon. Perhaps Americans lost their enthusiasm with the tragic deaths of three astronauts, incinerated on a launchpad before take-off.

Maybe America grew bored with the stultifying all-American sameness of the crew-cut astronauts floating around their space capsules, exclaiming: "Boy, what a view!"

Perhaps Americans were disappointed that the sand on the moon was grey powder — and not golden dust.

And yet there is no denying that Nasa has produced the single most successful federal effort in the nation's history. It may now be bad theatre, but it thrust the U.S. into the computer age, spurred development of high-speed communications, and made possible endless scientific advances.

It provided propaganda victories and made amends for the early humiliation of the U.S. when the Soviet Union launched the world's first man-made satellite, and the first man — and woman — into space.

Possibly the greatest accomplishment of the space programme was its unifying effect on a diverse and divided people.

In its first days when there was Sputnik and Yuri Gagarin, Americans were bewildered because somehow the Soviet Union was ahead of the U.S. in a high-technology race.

And Americans suffered the same doubt when President John F. Kennedy said the U.S. would put a man on the moon by the end of the decade.

Apollo 8's orbit of the moon on Christmas Eve, 1968, provided the only hope in a devastating year of political assassinations, race riots and war.

Then came the moonshot at a time when America was divided between hawks and doves, black and white, and those above and below 30. Drugs were becoming commonplace, students were turning on, dropping out, and going back to nature.

Neil Armstrong's walk on the moon provided an undeniable victory for [illegible] technology and the "establishment."

I was in [illegible] York City in Central Park [illegible] summer night, when [illegible] out the muggers and [illegible] so that [illegible] could demoralise [illegible] Americans [illegible] Neil watch on [illegible] TV [illegible] stagily: Armstrong announced [illegible] for a "That's one small [illegible] man, one giant [illegible] kind." Americans [illegible] a pride which has never [illegible] attained again.

The space programme has been anticlimactic ever since. It was ironic that the programme, once a symbol of U.S.-Soviet cold war competition, became a symbol of detente, bringing U.S. and Soviet astronauts together in friendship in space in 1975.

As the cost of Vietnam mounted, and public delight turned into indifference, Apollo missions were cancelled. The programme turned pragmatic, with satellites, space labs and shuttles.

Sadly, the programme may have become too successful for a thrill-seeking public. Astronauts seem to come and go safely, the risk and challenge have gone.

The programme has lost its hold on the American imagination. The new worlds promised in Buck Rogers comics, Flash Gordon serials and Star Wars have not yet been sighted. Should that day ever come, then perhaps the space programme will once again unite and thrill.

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'Hattersley would not feel bound to party decisions'

MR ROY HATTERSLEY last night wound up his campaign for the leadership and deputy leadership of the Labour Party with a clear declaration of independence. If elected, he would not feel bound to accept all decisions taken by the party, he said in Birmingham.

The policies which did the party so much harm in the June election needed to be changed, he said.

"Whatever position I occupy within the party after next Monday, I shall do the cause of democratic socialism no service by standing silent if we behave in a way which makes the slide towards a third defeat inevitable."

Party unity was essential for victory, but this did not mean an argument should be silenced, Mr Hattersley said.

"Every legitimate socialist point of view must fight its corner in the party, and now our arguments for change must be openly expressed. This is the time for fighting for our beliefs, but fighting in a way which protects and promotes the interests of the Labour Party".

The party had already accepted the need for policy changes, largely as a result of the campaign he and his supporters had mounted.

"Whatever happens on Sunday night, we will not fight the next election as the party which is committed to withdrawal from Europe, which offers no practical hope to the lower paid and which is part of a disarmament policy that enables our enemies to argue that we have no policy at all for the defence of Britain."

Mr Hattersly said that his campaign was also responsible for restoring the voice of "a broader, more tolerant Labour Party—looking forward to the British public, rather than in on itself."

It had "tried to elevate the policy argument above the level of the customary cliches" and proved "that it is not only the Marxists who possess a coherent and consistent vision of the new society which socialists want to see."

But it also reflected the need to live with and understand the people the party served. Labour was afflicted by a middle class heresy that the real people of Britain were reluctant to accept socialism. They would accept it, if it were leavened by common sense.

"The strength of our position, the people who have fought in this campaign, is the certainty that we speak for Labour voters.

"And, perhaps even more important, we can attract back to our banner the five million voters who have deserted us during the past 20 years," Mr Hattersley said.

Bank seeks data on outsiders in SE firms

By John Moore, City Correspondent

THE Bank of England is in talks with leading financial institutions over the degree of outside participation that should be allowed in firms which are members of the Stock Exchange.

The move follows the deal between the Government and the Stock Exchange that the latter should be exempted from restrictive practices legislation. In return, the Stock Exchange has agreed to dismantle its minimum commission structure and admit outsiders to its administration and regulation.

The Bank is concerned about the consequences of the abandonment of minimum commissions and whether that will drive member firms to look for capital outside the stock market. So far, the Stock Exchange has limited the equity participation of outsiders in member firms to 29.9 per cent.

According to an internal circular, the Bank has started discussions with financial institutions on the degree of participation by outside interests, within present limits, in Stock Exchange firms.

Also, the Bank is seeking information about the extent to which there "may be off-market trading in listed securities," in an effort to identify the amount of trading in securities.

The Bank said in its circular that, in order to assist the authorities in monitoring the implementation of the agreement between the Stock Exchange and the Government, and in overseeing the development of the stock market, a tripartite committee has been established. This is formed of representatives from the Department of Trade and Industry, the Bank of England and the Stock Exchange.

This committee is to seek statistical and non-statistical information on the following matters:

- The development of actual commission levels as rates become negotiable.
- Trends in finances of member firms, concentrating on the consequences of any pressure on revenues:
- Developments in the quality of the market and of market-making, including indications of changes in market depth and liquidity:

Government to oppose EEC law on workers' role in management

BY JOHN LLOYD, INDUSTRIAL EDITOR

THE GOVERNMENT has given the strongest indication yet that it intends to oppose draft legislation by the European Economic Community on workers' involvement in management. A revised draft is awaiting a decision by the EEC's Council of Ministers.

The legislation, known as the Vredeling directive after the name of its proposer, retired EEC Commissioner Henk Vredeling, seeks statutory consultation of employees. Business organisations in the UK are fiercely opposed to the plans, and believe the Government should veto the directive if it is implemented in its present form.

Mr John Selwyn Gummer, an Employment Minister and the new chairman of the Conservative Party, said the draft failed the key test of whether it would help recovery from recession.

"The Government's grave reservations are based on a fundamental disagreement—not on the value of genuine employee involvement but on how it can best be achieved. It is our view that, in the voluntary context of industrial relations in the UK, the effect of this directive would be not only to disrupt existing arrangements but also to increase costs for employers, erode competitiveness and damage industrial relations," he said.

Mr Gummer added that the recent Department of Employment survey of workplaces showed a "quiet revolution" in consultation.

"The freedom of the voluntary approach is not only the ability to work out systems which are tailor-made to the needs of a particular company. It also allows organisations to modify, or even abandon arrangements, which no longer work satisfactorily."

- The TUC is to demand an investigation into apparent breaches by Dunlop and Caterpillar of the code of conduct on multinationals operated by the Organisation for Economic Co-operation and Development.

Mr David Lea, the TUC's assistant general secretary, said yesterday that neither company had consulted unions on recent decisions about the loss of more than 2,000 jobs, as the guidelines lay down.

"If we had breached agreements with the same recklessness as have Dunlop and Caterpillar — with not a word of concern from the CBI — they and their friends at court would have ensured we were taken to task. It is incumbent on us to do what we can to sustain the credibility of the OECD agreement," he went on.

BNOC wins backing to peg oil price at $30

By Ray Dafter, Energy Editor

BRITISH NATIONAL OIL Corporation is winning support for its plan to peg reference prices of North Sea oil at $30 a barrel despite the recent fall in spot market rates and protests from some companies over proposed changes in price differentials of various crudes.

BNOC, which traditionally leads North Sea pricing negotiations, is said to be encouraged by the industry's response to its proposed package for October-December. Esso and Shell have already agreed in principle to BNOC's recommendations; another major influence is expected to make a formal response until late next week.

BP, like a number of companies, is waiting to see the spot market settle before deciding. It wants time to evaluate the proposed adjustment in crude differentials.

BNOC has proposed, for instance, that BP's Forties Field oil should be raised from $29.75 to $29.90 a barrel to bring the rate more in line with the $30-a-barrel charged for Shell-Esso's Brent crude.

Esso, which has repeatedly complained that the 25 cent difference in price puts it at a competitive disadvantage with BP, is thought to have told BNOC it still sees no technical justification for difference in Brent and Forties prices.

In the spot market, where prices have been slipping due to lack of buyers, Brent crude was said to cost about $29.70 a barrel yesterday while the price for Forties was reported $29.5 and $29.60.

Prices recommended by BNOC (with existing prices in brackets): Brent $30 ($30); Forties $29.90 ($29.75); Ninian $29.60 ($29.35); Flotta blend $29.30 ($28.30); Beatrice $29.7 ($29); Argyll $29.70 ($29.45); Auk $29.30 ($29.05); Beryl $30.25 ($30); Brent spar $30.3 ($30.05); Buchan $29 ($28.50); Fulmar $30.35 ($30); Montrose $30.35 ($30.10); Statfjord $30.4 ($30).

Blue Circle plans £30m works refit

By Ivo Dawnay

BRITAIN'S largest cement maker, Blue Circle Industries, yesterday revealed plans for a £230m modernisation of its Cauldon, Derbyshire works. A total of 220 jobs will go from the plant's 470-strong workforce.

The decision as part of the company's continuing plant modernisation programme aimed at saving energy and labour costs. The Cauldon conversion will introduce new filter systems to allow a single kiln to produce 790,000 tonnes of cement a year, equivalent to the capacity of three kilns now.

A similar conversion is being considered for the company's Dunbar plant in Scotland and another may be introduced later at Weardale in north-east England. Blue Circle is also examining proposals for a £100m modernisation of its Oxford plant, although this is unlikely to go ahead before 1990.

Blue Circle has reduced its workforce by 3,000 to 9,000 in the past three years. It claims to supply 60 per cent of Britain's £650m a year cement production.

Financial rescue package agreed for Dragon Data

BY CHARLES BATCHELOR

SHAREHOLDERS and bankers of Dragon Data, the South Wales maker of micro-computers, have agreed a financial rescue package which is expected to reduce the stake of founder shareholder Mettoy to under 8 per cent.

This represents a further blow to Mettoy's hopes that Dragon would provide a counterweight to its other loss-making businesses but will ease pressure on its finances.

Mr Bernard Hanson, Mettoy chairman, said: "We are pleased that Dragon will now properly funded. Dragon will be less important to us if our interest is diluted."

Mettoy, the Corgi-toy-making group, will not contribute to the £2.5m package consisting of new equity and loans in equal measure, which was revealed yesterday.

The halving of Mettoy's stake in Dragon from the present 15.5 per cent is the result of Mettoy's own recent losses and the large level of seasonal borrowings throughout the toy industry as stocks are built for Christmas.

The rescue package, proposed by the shareholders early last month and agreed this week by Dragon's bankers, Midland and Hill Samuel, should meet short- and long-term capital needs.

Dragon ran into cash-flow problems during the summer because of disappointing sales and a price war between computer manufacturers.

Its shareholders, led by Prutec, the Prudential Assurance group's venture capital subsidiary, will provide about £1.25m worth of new equity and a similar sum in loans. Dragon's capital will increase to £4.5m from £3.3m.

Shareholders will be granted an option to buy £1 worth of new equity for each £1 of loan funding provided.

Before the agreement on the rescue package Prutec held 42 per cent of Dragon; the Welsh Development Agency 23 per cent, Mettoy 15.5 per cent and the National Water Council, Fountain Development Capital Fund, F & C Enterprise Trust and Dragon executives a combined 19.5 per cent.

Volume production of the Dragon 32 micro-computer began in August 1982 but by December Mettoy was forced to call in new shareholders to help finance expansion.

BTG seeks to clarify new role

BY GUY DE JONQUIERES

THE British Technology Group said yesterday that it was still seeking to clarify some aspects of the Government's decision on the organisation's future role in supporting innovation and the transfer of technology.

BTG has been told to end the high technology investment activities undertaken by the former National Enterprise Board and to concentrate instead on encouraging the commercial exploitation of research.

Sir Frederick Wood, BTG's chairman, welcomed the in a statement by Mr Cecil Parkinson, Trade and Industry Secretary. Sir Frederick said it ended a long period of uncertainty.

Ministers have also told the BTG to speed up the sale of NEB-type investments, though they have set no firm deadline.

A number of shareholdings have been disposed of in the past three years, but BTG still has investments in more than 45 companies which do not conform with its new remit.

These include interests in the Inmos microchip venture; Data Recording Instruments, a computer peripherals manufacture; Wholesale Vehicle Finance; British Underwater Engineering; Aqualisa, a shower manufacturer; Muirhead Office Systems; Bull Motors; and CAP, Systime and Systems Programming, three computer systems and software houses.

BTG must submit a fresh business plan to the Government in line with its new role, but this will not be done until the Government has appointed a new chairman and clarified a number of points. These include:

- BTG's future legal status, which may require legislation.
- A more precise statement of its objectives and how its performance will be measured. This includes a clearer definition of the nature of technology transfer.
- Its financial structure. It is still uncertain whether BTG will be entitled to retain any of the proceeds from sales of NEB-type assets or what arrangements will be made for direct government funding.

Chef & Brewer changes strategy

BY LISA WOOD

CHEF AND BREWER, the Grand Metropolitan subsidiary which runs about 1,500 pubs, is changing its name to The Host Group as part of a new marketing strategy.

The 15 regional operating companies have been reorganised into eight new ones, each with a managing director, replacing the former 15 directors and general managers.

Shef and Brewer was reluctant yesterday to say exactly how many redundancies have been made, but about 100 people including some executives are expected to go.

The moves follow a re-think of marketing strategy and the plan has been put into action by Mr Tony FitzSimmons, the new managing director.

Mr David Knight, marketing director, said The Host Group would be presented to the public under the two trading identifications of Chef and Brewer and Open House.

Fleet quits Express

By James McDonald

MR KENNETH FLEET, city editor of the Daily Express and the Sunday Express has left "with immediate effect," Sir Larry Lamb, editor of the Daily Express, said last night.

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Safety net urged for Community budget

By Robin Pauley

...E GOVERNMENT has pro...ed new measures to the ...ropean Commission in Brus...s for achieving a better ...ance of Community budget... burdens between member ...tes.

...he main idea, outlined in a ...ecial supplement to the Trea...ry Economic Progress Report, ...uld be a safety net to ensure ...at no member country had ... shoulder an unreasonable ...rden.

The Community would agree ...at member states whose rela...e prosperity was below a ...ven level should be net bene...iaries from the budget and ...t in any circumstances net ...ntributors.

Above that level the limit on ...member state's net budgetary ...rden would be expressed as ...small percentage of the mem...r state's gross domestic ...oduct, the percentage being ...lated to that state's relative ...osperity in the community.

Any member state bearing a ...el budgetary burden of more ...an its agreed limit would have ...a VAT payments in the follow...g year modulated and re...uced by the amount of the ...cess.

The Government is also pro...sing a range of key areas in ...hich the Community should ...ke concerted action as part ...f its future development. The ...reas range from industrial and ...nergy initiatives to environ...ental issues such as the elimi...ation of lead in petrol or Com...unity action to control cross-...rontier transport of hazardous ...aste.

On external economic policy, ...he Government is urging the ...ommunity to find a collective ...oice on trade protectionism ...nd international debt. That ...ncludes securing action by ...apan to open up more rapidly ...o imports and investment and ...o prevent the emergence of ...rge current account sur...pluses.

Incentives for computer companies

Financial Times Reporter

SMALL innovative companies wanting to work on the Government's fifth generation computer project are to be given extra help.

The five-year research programme, originally proposed by the Alvey committee, will cost £350m, of which the Government is contributing £200m and industry the remaining £150m.

The scheme has been criticised because small innovative companies might be deterred by the fact that industry can only receive a 50 per cent grant towards research.

Mr Brian Oakley, head of the directorate set up by the Government to administer the programme, told members of the Computing Services Association yesterday that three new channels of finance were being prepared.

First, companies would have the right to appeal to the Treasury for a greater proportion of funding where an important project might not go ahead.

Second, he hoped private finance could be introduced to help small companies developing software for the fifth generation project.

Third, he wanted to encourage collaborative work between large companies and smaller ones while protecting control and profits.

London Transport may sack 3,000

BY HAZEL DUFFY, TRANSPORT CORRESPONDENT

MORE THAN 1,000 jobs at *London Transport's* bus works at Aldenham, near Elstree, are due to be axed shortly, and 1,900 at a similar works in Chiswick are under threat.

A major review by LT has concluded that neither works is viable as structured, and that the work could be contracted out at a saving to London Buses of over £8m.

An effort is to be made to save some of the jobs by seeking staff co-operation in restructuring the operations into small industrial units, but closure of the Aldenham works looks inevitable.

The results of the review were presented to a meeting of the LT board this week. The works, which carry out overhauls of electrical and mechanical units, were found to be "uncompetitive because of high overheads, lower volumes of activity than in the past, and outdated working practices."

Dr David Quarmby, managing director of London Buses, said yesterday that most of the 3,000 staff were "loyal and hard-working. The reduced size of the bus fleet and the improved standard of maintenance at garages have made the traditional LT works methods out of date. But that is not the fault of the workers, and the LT board, whatever its final decision, will strive to save as many jobs as it can."

The Monopolies Commission is at present investigating the whole area of LT bus maintenance as part of its remit to conduct efficiency audits on public sector industries. The commission is not expected to report before the end of the year.

LT, and the passenger transport executives in other big conurbations, are required under the 1983 Transport Act to place work outside when it is more economical to do so. *LT believes, however, that if it* could secure the agreement of the staff to the small industrial units plan, the work could be carried out at savings greater than by putting it out to private contract.

The review of bus maintenance is part of a continuing drive by LT to achieve greater efficiencies, which will involve putting more work outside if necessary.

LT's internal catering operations have already been disbanded, and the maintenance of lifts and escalators is also being examined.

Metal Box to close factory on Merseyside

BY NICK GARNETT, NORTHERN CORRESPONDENT

METAL BOX will close its plastics containers factory at Bromborough, Merseyside, in January with the loss of 470 jobs. Losses of about £1.5m have been made over the past three years.

Production of heat-moulded containers for the dairy and margarine industry will be transferred to its paper and plastics division plant at Portadown, Northern Ireland. Portadown makes similar products to those made on Merseyside.

Metal Box said yesterday that Bromborough was heading for a £600,000 loss this year before interest charges. "Despite considerable efforts to improve productivity, losses were projected to worsen in the future."

The company, which has shut 14 plants since April, 1980, and reduced employment by 10,000 to 23,000, blamed a series of factors in the UK's thermoform plastics market for the latest closure.

The market for thermoform plastic containers dropped last year by 3 per cent at the same time as imported containers took a 10 per cent share of the market.

There has also been a growing trend among food producers towards manufacturing their *own containers. These factors* together with the general recession, have caused what Metal Box estimates is a 20 per cent productive overcapacity in the thermoform plastics industry.

That overcapacity has forced other heat-moulded plastic container makers to shut production lines. The closure of Bromborough would bring capacity more into line with demand, the company said.

Metal Box has invested £5m in the last six years at Bromborough to broaden its product range and improve production processes. It said that it had studied alternative uses for the Bromborough plant, but none was satisfactory.

Battle lines drawn for share in DIY boom

David Churchill reports how smaller retailers aim to fend off supermarkets

BATTLE LINES in the fiercely contested, £2bn-a-year do-it-yourself market are being drawn as retail sales of DIY products begin their traditional autumn surge.

Two of the leading traditional DIY chains—A. G. Stanley's Fads and the Jacoa group, best known for its Ripolin paints—are preparing to join forces against the encroachment of leading supermarket multiples into the market. Nine out of 10 *supermarkets* of more than 25,000 sq ft stock DIY products, according to a recent trade survey, and the trend is for even smaller food stores to stock some of the fast moving items such as paint.

This is because women are clearly identified as key decision makers in buying DIY products. "Various marketing surveys have shown that women are increasingly choosing and buying the raw materials and carrying out the work," says Mr Richard Hyman, a director of the Mintel market research group.

One survey found that while 16 per cent of men questioned claimed to have done at least an hour's painting in the previous week, some 9 per cent of women also had carried out some painting within the home. Another survey, by the Payless DIY chain, found that almost half the decisions on materials and colour schemes were taken by women.

The proposed Fads and Jacoa merger is expected to be completed by the middle of November. Stanley has *some 220 Fads* stores, mainly in the South, while Jacoa has about 200 outlets—some trading under the Decor 8 banners—in the Midlands, North, and Scotland. Jacoa was formed when four directors of Ripolin, the British subsidiary of a French Government-owned group, staged a management buy-out two years ago.

If the deal goes through it will create the largest chain of DIY shops in the UK. The merged group would still not be the largest in terms of turnover, however, since many stores are relatively small high street outlets. The largest retailer of DIY materials in the UK remains the Woolworth *stores* chain, followed by the Woolworth subsidiary B & Q, which includes Dodge City.

The DIY market, with sales estimated at more than £2bn a year—although estimates depend on exactly what is included as DIY—is rapidly becoming the new battleground for Britain's beleaguered retailers. Virtually all the big food and non-food retailers are either considering entering the market or jockeying for position in the hope that the post-recession economy will stimulate the dynamic growth achieved by DIY in the late 1970s.

Such growth was based on rising living standards with people *increasing expectation* about their homes. Rising labour costs also forced many into DIY out of economic necessity.

The slide into recession in 1980 brought an end to boom times for DIY. This caught most retailers and analysts by surprise, since it had always been assumed that DIY was relatively *recession-proof,* as home-owners carried out improvements rather than turning to specialist labour.

In some respects this was true, but products that continued to sell well were cheaper ones like paint, where margins are small and competition fierce. The slump hit hardest in more up-market products such as coloured bathroom suites and DIY kitchen and bathroom furniture.

During the early 1980s, volume growth in the market has been estimated at about 2 or 3 per cent a year—unlike the 20 to 30 per cent a year in the late 1970s.

Retailers such as Sainsburys with its Homebase DIY stores, and W. H. Smith with Do-it-All, remain confident that the market will continue to grow in the 1980s. The general trade view is that the worst of the slump is past and the industry can look forward *to growth of* DIY as one of the main leisure pursuits of the decade.

However, Mr Philip Field of stockbrokers Buckmaster and Moore's retail team, says that "even taking an optimistic view, the likely growth in the DIY market over the next five to 10 years will be nowhere adequate to absorb the planned expansion of retail capacity."

What will happen increasingly is that the smaller DIY chains and some 25,000 small independent DIY shops and builders' merchants will come under pressure from the big multiple retailers. The major store chains not only have the expertise in operating larger DIY outlets with a greater range to attract the women buyers, they also have the financial muscle to expand at the expense of the smaller stores.

The Stanley-Jacoa merger may be only the first of a number of link-ups in the next couple of years.

Dutch cable may carry BBC TV after Belgian deal

BY RAYMOND SNODDY

The BBC has opened talks with cable television operators in the Netherlands. This *could lead to both BBC channels* being carried on Dutch cable networks.

The talks follow the successful *conclusion of a decade* of negotiations with cable operators in Belgium. The BBC and other European broadcasting organisations have signed an agreement with the 40-strong Belgian cable operators' *association.*

So, as soon as the necessary technical connections have been made, BBC 1 and BBC 2 programmes should be available in much of Belgium.

Belgian cable operators have 2.6m subscribers and cover 86 per cent of the country.

The agreement yesterday involved British, French, *Dutch, West German, Belgian* and Luxembourgeois broadcasters, plus Sabam, the Belgian performing rights society, and Agicoa, which represents film distributors in Belgium.

The cable operators will pay 15 per cent of their revenues under the agreement. That will be divided among the broadcasters and the various groups which own rights in what is shown on television channels involved.

The deal should raise about £13m a year, to be divided among broadcasters and groups of film-makers and writers.

Mr Bill Cotton, chairman of BBC Enterprises, welcomed the accord as the first in Europe with cable operators which embodied recognition of the legal claims of broadcasters and other holders of rights in *films* and other broadcastable material.

BBC programmes have been picked up by aerial on the Belgian coast and fed into local cable networks for many years. But the Belgian postal and telecommunication authority (PTT) refused to make the necessary connections to bring the pictures to other parts of Belgium, including Brussels, until agreement had been reached with the BBC.

The new deal means that people in Brussels should be able to watch BBC programmes by Christmas.

The Independent Television Companies' Association in Britain has opened *talks with the Belgian* cable operators. Progress is likely to be complicated, however, by the presence of advertising and the fact that, at least in some parts of Belgium, there would not be enough spare technical capacity to accommodate two more television channels *from* the UK.

Companies 'should be more charitable'

By Arnold Kransdorff

A CALL for companies to be more charitable was made yesterday by Mr Hamish Orr-Ewing, chairman of the Rank Xerox copying and office equipment group.

He said the UK should be moving towards the American pattern where the concept of "corporate social responsibility" was generally taken for granted.

Speaking to students at the annual awards ceremony of the Cavendish School, Hemel Hempstead, Herts, he said that the annual average charitable donation by Britain's 1.5m companies was £30. The comparable figure for the U.S. was about £500.

"It is my view that, as government spending declines, so companies must take up some of the burden. I do not argue from reasons of generosity. The world of the future needs not only the donations, but also the involvement of major companies if its birth is to come about with the minimum of pain."

In 1981 British companies gave away about £46m in charitable donations, about a quarter of 1 per cent of collective pre-tax profits, rising to about £49m in 1982. Mr Orr-Ewing's own company gave away about £1m last year, equal to about 1 per cent of pre-tax profits.

Mr Orr-Ewing called on Government to change the tax system as part of a national re-assessment of work and pay.

"Our taxation system is built on a bi-valent view of work; you either have a job or you do not. Thus, generally, someone who is on the dole cannot take odd jobs, small parts of a job or meaningful work for more money without losing the dole money."

Government, he said, should create a tax system that enabled people to earn money to supplement the dole. He suggested that everyone, whether in work or not, should receive, say, £40 a week from the Government.

"At a certain level of earnings this £40 would be gradually clawed back through income tax so that by a certain higher figure of earnings, one received nothing.

"Such a system encourages personal effort, reduces the motivation towards 'black work,' and enhances work-sharing; it would also increase the motivation towards entrepreneurial behaviour."

Beer output unlikely to increase

By Lisa Wood

BEER PRODUCTION in the UK is unlikely to be higher than last year, according to the Brewers Society, in spite of one of the hottest summers on record.

The society's beer production figures for August showed an increase of 15.6 per cent on the same month of last year.

Beer production in August was 3,699,348 bulk barrels compared with 3,199,345 bulk barrels in August 1982.

In the year to date production was 24,768,895 bulk barrels, an increase of 1.5 per cent on the same period of last year.

The Brewers Society said: "Beer stocks in retail outlets were low after a hot July and in addition to filling the pipelines the good weather continued to boost sales throughout August.

"The increase in production, however, was much greater than the increase in actual sales and initial reports indicate that trade is *falling off* in September.

Vauxhall meets union officials in last-ditch attempt to halt strike

BY BRIAN GROOM AND DAVID GOODHART

VAUXHALL MOTORS' management will meet local union officials and works conveners near Coventry this morning in a last-ditch attempt to get the national strike by nearly all its 14,500 manual workers called off.

The outcome will be closely watched at Ford, where unions yesterday lodged a claim for 15-16 per cent increases on basic rates for the 4,500 hourly-paid workers at the company's 24 British plants.

The Vauxhall strike started last night but does not get fully underway until Monday when production was due to resume. Only maintenance work is affected over the weekend.

The company has said the cash value of its *7.7 per cent,* 14-month offer — worth 8 per cent when fringe items are added — is final. But the timescale is up for negotiation.

Unions have objected to the 14 months because it would shift their settlement date to November, where they would feel weaker in the *run-up* to Christmas. The alternatives are to shorten it to a year or lengthen it to about 18 months.

How much Vauxhall would have to yield is uncertain. Mr Cliff Keech, chairman of the union side, said: "The offer would have to be more than 8 per cent over 12 months to satisfy the membership".

The only workers to have rejected the strike call are 1,000 members of the engineering workers' union at Dunstable. They voted by 55 to 45 per cent in a secret ballot to accept the offer, but are unlikely to cross Transport Union picket lines.

If the strike *goes ahead,* Ellesmere Port workers will picket Hartlepool docks on Monday in a bid to halt Vauxhall imports, Luton workers will picket Sheerness, and Dunstable workers will picket Bristol.

Ford faces the same problem as Vauxhall—persuading its workers that because of competitive *marketing, booming* car sales are not being reflected in high profits.

Mr Ron Todd, national organiser of the Transport and General Workers Union and leader of the union side at Ford, said the pay demand meant rises of between £17 and £27 a week.

The unions are also claiming a seven-day increase in holiday *entitlement* rather than a reduction in the working week, consolidation of the attendance supplement and an increase in lay-off pay from the present 80 per cent of basic rate to full average earnings. There are also claims for *improvements* in sickness and pension schemes.

Mr Todd said that with Ford UK heading for its eighth successive year of three-figure profits "our people expect their share."

The detailed union submission to the company said that *sales in Britain of UK-produced* cars in 1982 were around £830m, 2.5 per cent up on 1981, and total Ford UK sales were probably worth £1,600m—some 10.5 per cent more than in 1981. It predicted total operational *profit of £143m for this year*—nearly 30 per cent up on 1982.

Ford UK's car sales in the first seven months of this year were 291,769 compared with 250,805 for the same period last year. But the submission expressed alarm at the increasing Ford imports—especially from West Germany.

"At the present rate, Ford's 1983 sales in the UK will be more than 50 per cent sourced from non-UK plants (273,000 imported against 250,000 home produced," it said.

The pay claim was for an across-the-board rise rather than the traditional different percentages on different grades. It is *based on the assumption* that average earnings have slipped by 8.2 per cent since 1978 and that inflation will run at about 6 per cent for the next 12 months.

The company will make an offer on October 28. Basic rates in Ford range from £102.84 to £163.47 a week. About 4,700 Ford workers were made redundant between June 1982 and 1983.

Employers give Tebbit's union plans mild rebuke

BY OUR INDUSTRIAL EDITOR

PROPOSALS BY Mr Norman Tebbit, the Employment Secretary, to legislate on unions' internal democratic procedures have drawn mild rebukes from employers' and management bodies. But they *still* enjoy broad support.

All submissions to the Employment Secretary had to be in yesterday. The TUC's attempt to persuade him to drop the legislation in favour of a voluntary approach failed earlier this week.

The Institute of Directors has said the proposals allow too many loopholes for the unions and urges speedy action to curb strikes in essential services.

In a letter to Mr Tebbit, Mr Walter Goldsmith, the institute's director, says the plan to grant the unions a six-month compliance period if they fail to hold an election for executives is too long.

He also says the law would continue to allow union officials to give notice to employers against whom they had issued a strike threat that the contracts of employment of union members should be terminated — as a number of unions do before strikes begin.

This would remove the need for any ballot. The holding of ballots was a condition of the union's retaining its immunities — since unions could not lose immunities where no breach of contract has occurred.

Mr Goldsmith argues that the gap could be closed by preventing union officials giving collective notice, placing the onus on each individual to give notice of termination of his contract.

The Institute of Personnel Management has told the Employment Secretary that mandatory strike ballots are unlikely to be an effective means of avoiding industrial action or improving employee relations.

The IPM supports the principle of strike ballots but says they should not be compulsory. It says that a voluntary approach with greater emphasis on commitment to locally agreed procedures through effective employee involvement would be more appropriate than a legal framework.

BT suspends engineers

BY DAVID GOODHART, LABOUR STAFF

BRITISH TELECOM yesterday went on the offensive against the industrial action by Post *Office engineers directed* at the parent companies of Mercury, the private telephone network.

For the first time for some weeks British Telecom suspended two members of the Post Office Engineering Union who refused to do maintenance work connected with the London offices of *Barclays Merchant* Bank, one of the three target companies. The other two are Cable and Wireless and British Petroleum.

The first suspension at the important packet switching exchange at Colombo House, near *Waterloo,* provoked an immediate walk-out by another 10 maintenance engineers, which could cause serious difficulties for several banks and financial institutions using the exchange.

The second suspension was at the Post Office Tower, where a union member had refused to work on a Barclays Bank private line. Eleven more men walked out, leaving private line maintenance for a large area of central London without cover.

1,500 dockyard jobs saved

BY OUR LABOUR STAFF

TRADE UNIONS have agreed to a plan involving flexible working which will save 1,500 civilian jobs at the Portsmouth Naval Dockyard.

The agreement, which is being ratified at national level by the unions, comes into force in a year when the dockyard *adopts* its role as a fleet maintenance and repair base.

Vice-Admiral Anthony Tippet announced yesterday that agreement had been reached with the last of the unions. He is leaving his Portsmouth post to become chief of fleet support, with a seat on the Admiralty board. Yesterday he handed over to Rear-Admiral John Warsap.

The unions have agreed to a formula which will introduce more flexible working and demarcation, and result in civilian and Royal Navy staff working together.

It means *that 2,800 civilians* instead of the 1,300 the Government had planned, will be employed at Portsmouth along with 500 servicemen. The formula was reached after intense negotiations.

● *Dockers at the Port* of Liverpool are being required to learn new skills as the labour force is gradually reduced to around 2,000. The Liverpool Dock Labour Board has written to 600 non-specialist dockers telling them they must be prepared, if necessary, to train as plant drivers.

Anyone who refuses or fails will be called before the board. The Transport and *General* Workers Union agreed to the move because *there* are not enough specialists left to meet future demand.

Reaching for the financial controls of Channel 4

Raymond Snoddy *tunes in to the struggle to curb funds for the second commercial TV channel*

INTENSIVE lobbying is under way to hold down the level of Channel 4 funds for next year.

The ITV companies, as they prepare to face the coming competition *from* cable television, are anxious to limit the cost of the channel. Many would like to restrain the increase in the channel's annual cost of £124m to that of the rise in the retail price index.

"This is despite the fact that ITV revenue for the year to January 1984, net of agency commission, is likely to exceed £900m — a rise of about 16 per cent. ITV's subscription for Channel 4 is set by the Independent Broadcasting Authority (IBA) within a range of 14-18 per cent of net revenue.

Channel 4 argues that it is in the early days of a new venture. Investment should continue next year, therefore, at the higher end of the subscription band and as close to 18 per cent as possible.

Although no decision will be taken until the new year, *senior officials* in the IBA are sympathetic to this argument and Channel 4 seems likely to get more than £140m — about 20 per cent of which will go to pay for the Welsh Fourth Channel.

The lobbying over funds, however, seems to be increasingly entangled with larger questions of the relationship between the ITV companies and Channel 4, and with the desire of some senior figures in the industry to obtain greater control over Channel 4 programmes and schedules.

Last month, Mr Hugh Dundas, chairman of Thames Television, said in his annual statement that it was the board's view that "there would have to be some radical changes in its (Channel 4's) *modus operandi* and control."

He blamed stagnant profits at Thames on contributions to Channel 4. It was a "dangerous myth," he claimed, that Thames's costs were *effectively* covered because the subscription could be offset against Treasury levy on television profits and corporation tax.

Mr David Plowright, managing director of Granada, suggested at the Royal Television Society convention at Cambridge that, as part of the public broadcasting system's coming battle against the "new media," some *of the more public service* programmes now carried on ITV could move to Channel 4.

Mr John Birt, director of programming at London Weekend Television, in a confidential discussion document, has advocated that *quality* programmes be moved to off-peak times on Channel 4, and that the burden of making programmes be moved towards the regional ITV companies from *the big five of commercial* television.

Others have argued that Channel 4's schedules should be more closely co-ordinated with ITV, along the lines of BBC1 and BBC2.

Last week, Mr Jeremy Isaacs, chief executive of Channel 4, felt the need, while launching his autumn schedules, to say that the channel was determined to retain its independence and not become a ghetto for programmes the network did not want. "It is absolutely *"free slice"*) should be reduced.

Another shot across the bows of Channel 4 came in a recent press article which said that Mrs Margaret Thatcher, was not best pleased with the channel on the grounds that it was costing taxpayers many millions through lost levy. The piece said that the Government felt cuts in spending on health were harder to make while money was being poured "into an *extra TV service* which would hardly be missed if it disappeared."

Mrs Thatcher, the line went, was much keener on getting cable and satellite TV services off the ground. The article is understood to have been *in*spired at a high political level.

Channel 4 refused to comment directly but Mr Justin Dukes, the managing director, said: "*What concerns us* is that it (the lobbying) is not justified, *either* by the overall revenue position of the industry, audience performance of Channel 4 within it or by the normal expectations of investors starting a significant new development and funding it on a *current* account basis."

Channel 4 has been doing what parliament asked—producing television that was "different in form and content," he said.

One senior ITV official intends to remind the IBA of an undertaking given when Channel 4 was set up, that if the finance of Channel 4 were ever to become a serious burden to the ITV companies, action would be taken.

The IBA points out that it has already been flexible in allowing the companies an extra two minutes of peak-time advertising each day, taken from non-peak time, to compensate them for the effects of the continuing dispute between Equity, the actors' union, and the Institute of Practitioners in Advertising.

The same ITV official, it is believed, has been canvassing at ministerial level the proposition that, if Channel 4 were to pose a serious economic threat, the Treasury levy 167 per cent after a 2.5 per cent

Ashley Ashwood

Mr Jeremy Isaacs (*left*), chief executive, and Mr Justin Dukes, managing director, of Channel 4

'Hatters... would not feel bound to party decisions'

MR ROY HATTERSLEY last night wound up his campaign for the leadership and deputy leadership of the Labour Party with a clear declaration of independence. If elected, he would not feel bound to accept all decisions taken by the party, he said in Birmingham.

The policies which did the party so much harm in the June election needed to be changed, he said.

"Whatever position I occupy within the party after next Monday, I shall do the cause of democratic socialism no service by standing silent if we behave in a way which makes the slide towards a third defeat inevitable."

Party unity was essential for victory, but this did not mean an argument should be silenced, Mr Hattersley said.

"Every legitimate socialist point of view must fight its corner in the party, and now our arguments for change must be openly expressed. This is the time for fighting for our beliefs, but fighting in a way which protects and promotes the interests of the Labour Party".

The party had already accepted the need for policy changes, largely as a result of the campaign he and his supporters had mounted.

"Whatever happens on Sunday night, we will not fight the next election as the party which is committed to withdrawal from Europe, which offers no practical hope to the lower paid and which is part of a disarmament policy that enables our enemies to argue that we have no policy at all for the defence of Britain."

Mr Hattersly said that his campaign was also responsible for restoring the voice of "a broader, more tolerant Labour Party—looking forward to the British public, rather than in on itself."

It had "tried to elevate the policy argument above the level of the customary cliches" and proved "that it is not only the Marxists who possess a coherent and consistent vision of the new society which socialists want to see."

But it also reflected the need to live with and understand the people the party served. Labour was afflicted by a middle class heresy that the real people of Britain were reluctant to accept socialism. They would accept it, if it were leavened by common sense.

"The strength of our position, the people who have fought in this campaign, is the certainty that we speak for Labour voters.

"And, perhaps even more important, we can attract back to our banner the five million voters who have deserted us during the past 20 years," Mr Hattersley said.

Bank seeks data on outsiders in SE firms

By John Moore, City Correspondent

THE Bank of England is in talks with leading financial institutions over the degree of outside participation that should be allowed in firms which are members of the Stock Exchange.

The move follows the deal between the Government and the Stock Exchange that the latter should be exempted from restrictive practices legislation. In return, the Stock Exchange has agreed to dismantle its minimum commission structure and admit outsiders to its administration and regulation.

The Bank is concerned about the consequences of the abandonment of minimum commissions and whether that will drive member firms to look for capital outside the stock market. So far, the Stock Exchange has limited the equity participation of outsiders in member firms to 29.9 per cent.

According to an internal circular, the Bank has started discussions with financial institutions on the degree of participation by outside interests, within present limits, in Stock Exchange firms.

Also, the Bank is seeking information about the extent to which there "may be off-market trading in listed securities," in an effort to identify the amount of trading in securities.

The Bank said in its circular that, in order to assist the authorities in monitoring the implementation of the agreement between the Stock Exchange and the Government, and in overseeing the development of the stock market, a tripartite committee has been established. This is formed of representatives from the Department of Trade and Industry, the Bank of England and the Stock Exchange.

This committee is to seek statistical and non-statistical information on the following matters:

● The development of actual commission levels as rates become negotiable

● Trends in finances of member firms, concentrating on the consequences of any pressure on revenues;

● Developments in the quality of the market and of market-making, including indications of changes in market depth and liquidity.

Government to oppose EEC law on workers' role in management

BY JOHN LLOYD, INDUSTRIAL EDITOR

THE GOVERNMENT has given the strongest indication yet that it intends to oppose draft legislation by the European Economic Community on workers' involvement in management. A revised draft is awaiting a decision by the EEC's Council of Ministers.

The legislation, known as the Vredeling directive after the name of its proposer, retired EEC Commissioner Henk Vredeling, seeks statutory consultation of employees. Business organisations in the UK are fiercely opposed to the plans, and believe the Government should veto the directive if it is implemented in its present form.

Mr John Selwyn Gummer, an Employment Minister and the new chairman of the Conservative Party, said the draft failed the key test of whether it would help recovery from recession.

"The Government's grave reservations are based on a fundamental disagreement—not on the value of genuine employee involvement but on how it can best be achieved. It is our view that, in the voluntary context of industrial relations in the UK, the effect of this directive would be not only to disrupt existing arrangements but also to increase costs for employers, erode competitiveness and damage industrial relations," he said.

Mr Gummer added that the recent Department of Employment survey of workplaces showed a "quiet revolution" in consultation.

"The freedom of the voluntary approach is not only the ability to work out systems which are tailor-made to the needs of a particular company. It also allows organisations to modify, or even abandon arrangements, which no longer work satisfactorily."

● The TUC is to demand an investigation into apparent breaches by Dunlop and Caterpillar of the code of conduct on multinationals operated by the Organisation for Economic Co-operation and Development.

Mr David Lea, the TUC's assistant general secretary, said yesterday that neither company had consulted unions on recent decisions about the loss of more than 2,000 jobs, as the guidelines lay down.

"If we had breached agreements with the same recklessness as have Dunlop and Caterpillar — with not a word of concern from the CBI — they and their friends at court would have ensured we were taken to task. It is incumbent on us to do what we can to sustain the credibility of the OECD agreement," he went on.

BNOC wins backing to peg oil price at $30

By Ray Dafter, Energy Editor

BRITISH NATIONAL OIL Corporation is winning support for its plan to peg reference prices of North Sea oil at $30 a barrel despite the recent fall in spot market rates, and protests by some companies over proposed changes in price differentials of various crudes.

BNOC, which traditionally leads North Sea pricing negotiations, is said to be encouraged by the industry's response to its proposed package for October-December. Esso and Shell have already agreed in principle to BNOC's recommendations. another major influence, is expected to make a formal response until late next week.

BP, like a number of companies, is waiting to see the spot market settle before deciding. It wants time to evaluate the proposed adjustment of crude differentials.

BNOC has proposed, for instance, that BP's Forties Field oil should be raised from $29.75 to $29.90 a barrel to bring the rate more in line with the $30-a-barrel charge for Shell-Esso's Brent crude.

Esso, which has repeatedly complained that the 25 cent difference in price puts it at a competitive disadvantage with BP, is thought to have told BNOC it still sees no technical justification for difference in Brent and Forties prices.

In the spot market, where prices have been slipping due to lack of buyers, Brent crude was said to cost about $29.70 a barrel yesterday while the price for Forties was reported $29.50 and $29.60.

Prices recommended by BNOC (with existing prices in brackets). Brent $30 ($30); Forties $29.90 ($29.75); Ninian $29.60 ($29.35); Flotta blend $29.30 ($28.30); Beatrice $29.30 ($29); Argyll $29.70 ($29.45); Auk $29.30 ($29.05); Beryl $30.25 ($30); Brent spar $30.30 ($30.05); Buchan $29 ($28.50); Fulmar $30.35 ($30); Montrose $30.35 ($30.10); Statfjord $30.45 ($30).

Blue Circle plans £30m works refit

By Ivo Dawnay

BRITAIN'S largest cement maker, Blue Circle Industries, yesterday revealed plans for a £230m modernisation of its Cauldon, Derbyshire works. A total of 220 jobs will go from the plant's 470-strong workforce.

The decision as part of the company's continuing plant modernisation programme aimed at saving energy and labour costs. The Cauldon conversion will introduce new filter systems to allow a single kiln to produce 790,000 tonnes of cement a year, equivalent to the capacity of three kilns now.

A similar conversion is being considered for the company's Dunbar plant in Scotland and another may be introduced later at Weardale in north-east England. Blue Circle is also examining proposals for a £100m modernisation of its Oxford plant, although this is unlikely to go ahead before 1990.

Blue Circle has reduced its workforce by 3,000 to 9,000 in the past three years. It claims to supply 60 per cent of Britain's £650m a year cement production.

Financial rescue package agreed for Dragon Data

BY CHARLES BATCHELOR

SHAREHOLDERS and bankers of Dragon Data, the South Wales maker of micro-computers, have agreed a financial rescue package which is expected to reduce the stake of founder shareholder Mettoy to under 8 per cent.

This represents a further blow to Mettoy's hopes that Dragon would provide a counterweight to its other loss-making businesses but will ease pressure on its finances.

Mr Bernard Hanson, Mettoy chairman, said: "We are pleased that Dragon will now properly funded. Dragon will be less important to us if our interest is diluted."

Mettoy, the Corgi-toy-making group, will not contribute to the £2.5m package consisting of new equity and loans in equal measure, which was revealed yesterday.

The halving of Mettoy's stake in Dragon from the present 15.5 per cent is the result of Mettoy's own recent losses and the large level of seasonal borrowings throughout the toy industry as stocks are built for Christmas.

The rescue package, proposed by the shareholders early last month and agreed this week by Dragon's bankers, Midland and Hill Samuel, should meet short- and long-term capital needs.

Dragon ran into cash-flow problems during the summer because of disappointing sales and a price war between computer manufacturers.

Its shareholders, led by Prutec, the Prudential Assurance group's venture capital subsidiary, will provide about £1.25m worth of new equity and a similar sum in loans. Dragon's capital will increase to £4.5m from £3.3m.

Shareholders will be granted an option to buy £1 worth of new equity for each £1 of loan funding provided.

Before the agreement on the rescue package Prutec held 42 per cent of Dragon; the Welsh Development Agency 23 per cent, Mettoy 15.5 per cent and the National Water Council, Fountain Development Capital Fund, F & C Enterprise Trust and Dragon executives a combined 19.5 per cent.

Volume production of the Dragon 32 micro-computer began in August 1982 but by December Mettoy was forced to call in new shareholders to help finance expansion.

BTG seeks to clarify new role

BY GUY DE JONQUIERES

THE British Technology Group said yesterday that it was still seeking to clarify some aspects of the Government's decision on the organisation's future role in supporting innovation and the transfer of technology.

BTG has been told to end the high technology investment activities undertaken by the former National Enterprise Board and to concentrate instead on encouraging the commercial exploitation of research.

Sir Frederick Wood, BTG's chairman, welcomed the in a statement by Mr Cecil Parkinson, Trade and Industry Secretary. Sir Frederick said it ended a long period of uncertainty.

Ministers have also told the BTG to speed up the sale of NEB-type investments, though they have set no firm deadline.

A number of shareholdings have been disposed of in the past three years, but BTG still has investments in more than 45 companies which do not conform with its new remit.

These include interests in the Inmos microchip venture; Data Recording Instruments, a computer peripherals manufacture; Wholesale Vehicle Finance; British Underwater Engineering; Aqualisa, a shower manufacturer; Muirhead Office Systems; Bull Motors; and CAP, Systime and Systems Programming, three computer systems and software houses.

BTG must submit a fresh business plan to the Government in line with its new role, but this will not be done until the Government has appointed a new chairman and clarified a number of points. These include:

● BTG's future legal status, which may require legislation.

● A more precise statement of its objectives and how its performance will be measured. This includes a clearer definition of the nature of technology transfer.

● Its financial structure. It is still uncertain whether BTG will be entitled to retain any of the proceeds from sales of NEB-type assets or what arrangements will be made for direct government funding.

Chef & Brewer changes strategy

BY LISA WOOD

CHEF AND BREWER, the Grand Metropolitan subsidiary which runs about 1,500 pubs, is changing its name to The Host Group as part of a new marketing strategy.

The 15 regional operating companies have been restructured into eight new ones, each with a managing director, replacing the former 15 directors and general managers.

Chef and Brewer was reluctant yesterday to say exactly how many redundancies have been made, but about 100 people including some executives are expected to go.

The moves follow a re-think of marketing strategy and the plan has been put into action by Mr Tony FitzSimmons, the new managing director.

Mr David Knight, marketing director, said The Host Group would be presented to the public under the two trading identifications of Chef and Brewer and Open House.

Fleet quits Express

By James McDonald

MR KENNETH FLEET, city editor of the Daily Express and the Sunday Express has left "with immediate effect," Sir Larry Lamb, editor of the Daily Express, said last night.

Dependent's house and CGT

BY OUR LEGAL STAFF

Three years ago I purchased a GLC Council house in Merstham, Surrey, in the joint name of myself and my mother. Although I had *grown* up in the house, I did not occupy it, leaving it for the sole occupation of my mother. Since she qualified as a dependent relative, I received mortgage relief on that house as well as the conventional relief on my own home in London. My mother has just died, and several questions now arise:

1—If I keep the Merstham house, must a valuation be established for the purpose of any future capital gains liability? Conditions of Purchase preclude sale of any council property before five years—*1985 at the earliest*, unless sold back to them.

2—Because we had lived many years in the GLC property, we qualified for the then maximum discount (50 per cent) of the purchase price. The house was valued by the GLC at £21,000 three years ago at the time of the negotiations, and I then was asked to pay £10,500. Which figure is likely to represent the 1980 valuation—£21,000 or £10,500 for tax purposes?

3—My mother's half-share of the house comes to me. What effect, if any, does this shared ownership have on my tax liability if, in the future I sell the house in Merstham?

4—If I decide to let the property, does letting change the eventual tax liability.

5—Would letting alter my rates for the property as well? That is, does a residential house then become a "mixed hereditament" in local authority eyes?

We infer from your letter that:

(a) you alone provided the cash to buy *the Merstham house* and you alone bore the mortgage interest and repayments;

(b) you reported the purchase of the freehold in your 1981 tax return (on the assumption that the purchase contract was signed after April 5 1980);

(c) the conveyance into joint names was not intended to be a gift of a half-interest to your mother, but was for convenience only;

(d) the contract for the purchase of your London home was signed after the contract for the Merstham house: and

(e) you have lived in the Merstham house (for at least a few days) since the contract for its purchase.

That being so, the answers to your questions are briefly as follows:

1—No.

2—£10,500 probably.

3—None, probably.

4—Yes: leaflet CGT4 (Owner-occupied houses) sketches the complex and arbitrary CGT rules. It is obtainable (free) from most tax inspectors' offices, but *make sure you are* given the 1983 edition.

5—No.

The complexity of the law makes it impossible for us to give you a clearcut reply without more precise data, unfortunately.

Shortfall on maintenance

I have recently re-married a divorcee who has three children living with us. Since the divorce the ex-husband has been making an allowance to the children and a court order. The order provides for each child to have £1,000 per year broken down into twelve one-monthly payments: in actual fact my wife has only been receiving £815.40 per year, a payment of £67.95 per month. I have been advised that the shortfall can be claimed from the Inland Revenue. Could you confirm that this is the case, and what steps I would need to take to recover it?

We take it that the court order is for £1,165 a year (for each child), not £1,100. Each monthly payment was therefore £97.08 minus 30 per cent income tax, leaving a net amount of £67.95. By virtue of section 33 (5) (b) of the Finance Act 1982, you should find that payments (due after April 5 1983) are now being made without deduction of tax. To recover past years' tax for the children, your wife should ask the local tax office for claim *forms* R232 and (if she has not already received them) should ask her former husband for tax certificates on forms R185 (which are obtainable from any tax office).

Bankruptcy and spouses

It seems likely that a friend will be made bankrupt. He has a company which will be wound up and, because it was supported by a guarantee from a partnership in an associated business he ran with his wife, his bankruptcy will mean hers also.

His family want to help him and the following questions arise: (1) What are the constraints placed upon a bankrupt? Could he or his wife run a business? (2) Would it be a solution for third parties to form a company and employ the bankrupt to run it as General Manager?

We think you would do well to consult a solicitor. There are restraints on a bankrupt acting as director of a company, and if both spouses are bankrupted they would need to be very circumspect in attempting to set up any new business. They should aim for an early discharge from bankruptcy which can now be obtained under Section 7 of the Insolvency Act 1976. However we would hesitate to advise in the abstract on a matter which *depends on* the *factual details* of the parties' situation.

VAT and garage door

Despite the numerous replies you have given to queries on VAT I am not sure of the position in the following simple example. Recently my wife has found our "up and over" timber garage door rather heavy, so we have had a new fibreglass one installed as a replacement. The lifting gear is also replaced. A local joiner obtained and installed and has charged VAT at 15 per cent. Is this correct?

The question of what expenditure qualifies for zero rating in relation to the alteration of a building is not an easy one. It is a subject on which we are often unable to give a definite opinion. We feel that the replacement of a timber garage door with a fibre glass one could well amount to the alteration of a building qualifying for zero rating. However we do not think that the matter is free from doubt. We suspect that the Customs and Excise would take a different view. If the matter went to appeal there is no certainty that our view would be upheld.

Retirement of a trustee

I am one of three trustees of a will one of whom, a retired solicitor now wishes to retire.

Can he be compelled to pay the expense incurred in connection with his retirement, or can he insist on this being met out of the trust estate to the obvious detriment of the beneficiaries. Could the remaining trustees, including any new trustee appointed to fill the vacancy, be held liable to the beneficiaries if the expense is met by the trust estate?

The trustee cannot be compelled to pay the costs incurred by his retirement, because he cannot be compelled to retire. He can refuse to retire unless the costs are borne by the estate, and he would be justified in doing so. The remaining trustees would not be liable personally if they authorised the payment out of the estate of costs occasioned by a change of trustees: that would (subject to the amount being reasonable) be *a proper* cost in the administration of the estate.

Right of way by implication

In 1965 I went in partnership with my son-in-law in transport from my house. In 1976 I sold my share to him, also selling him a plot of land to build a bungalow adjacent to *my* drive making a combined or double width drive, which his vehicles still use for access. Have I please, created a right of way for his vehicles?

It is most likely that you will have granted a right of way by implication or as a way of necessity, even if there is no express grant in the deed of conveyance of the plot of land. However, the conveyance would need to be read with care to *ascertain precisely what* the position is.

Acorn spurs issue fever

LONDON

ONLOOKER

As the City's week began, the news came that the Government's sale of 130m shares in British Petroleum had been effortlessly accommodated by the investing public. The Government and its advisers, who had placed a minimum tender price on the shares of 405p each, were able to cover the issue with a striking price of 435p, netting £542.5m.

The Government having extracted its £lbn of flesh, the way was now clear for those waiting impatiently at the head of the packed queue of "new" companies to come to the market.

Tottenham Hotspur is to become the first ever quoted soccer club. On Monday it will advertise an offer for sale of £3.8m shares at £1 apiece.

For all the razzmatazz surrounding the Spurs issue, it is no mere public relations exercise. The offer will wipe out debts of £3m that were kicking lumps out of the balance sheet. Tottenham Hotspur, as befits a club that can trace its history back to 1880, is to make its debut on the Stock Exchange first division, as a fully listed share.

Meanwhile the largest company on the Unlisted Market is set to be Acorn Computer. On Thursday its advisers, Lazard Brothers and Cazenove, announced that they were offering 11.23m ahsres at a minimum tender price of 120p each, capitalising the five-year-old business at anything but s microfigure, no less than £135m. The company's growth—since 1979 turnover has rocketed from £31,000 to £42.4m—has been based nn the hugely successful BBC Microcomputer.

On last year's profits of almost £9m, Acorn is nn a minimum price multiple of over 3u.

Acorn's looming presence has prompted the sponsors of Telemetrix, an electronics company which announced its own offer for sale two days before Acorn, tn choose s different approach.

Barclays Merchant Bank is breaking with current fashion by offering 5.24m shares in Telemetrix at a fixed price of 185p. With institutional cheque books set to open wide for the mighty Acorn, Barclays appears to be welcoming the stags, to lubricate the mechanism of the Telemetrix offer.

Share shopping

The interim reporting season for retailers is in full swing and almost hourly another set of good results comes clattering over the news wires. With some very impressive profit gains on display it is tempting to open the purse and start picking up retailing shares. Like a good many temptations, it should be resisted.

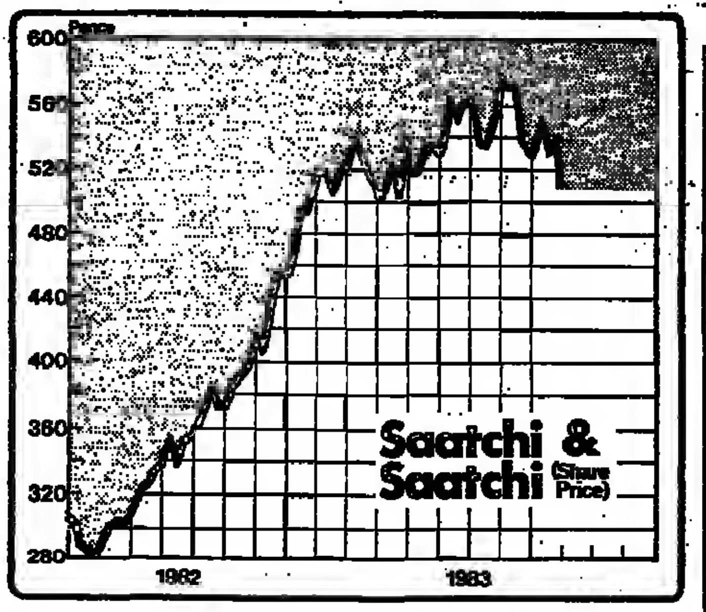
The figures coming out now reflect an exceptional period for consumer spending earlier this year. Earnings were running a good pace ahead of inflation and shoppers were diverting more of their surplus cash across counters than into their nest eggs. Tbe savings ratin hit s 10-year low in the first six months. And while the run up to Christmas might not be as good, full year profits will be well ahead.

Tbat, as far as the market is concerned, is nld news. The qnestion now is what bappens in 1984. Some of the City's more astute sages have been predicting a dull 1984 since the end of '82. The stores sector as a wbole has been a poor perfurmer throughout the year in share price terms and now everyone is pretty mucb agreed that consumer spending will flatten out next year.

From that point there is a wide divergence of views. Some analysts are looking for a very grim time in 1984 for those whose business is selling consumer durables. Yet a rerun of 1979 when retailing profits took a nasty dent is unlikely because consumer spending may be flat but it won't be in headlong retreat.

So what is the investment strategy? Again views are poles apart. Speak to one broker and he will argue the case for defensive mature companies, so that high-flyers such as MFI and Harris Queensway should be weeded out of the portfolio at this stage in the cycle. Ask another and he will tell yon that it is exactly those high-flyers with thrusting management, plenty of new stores nn the go and merchandise innovation which will be the ones to ride with.

Saatchi Stateside



The name of advertising against Saatchi & Saatchi is becoming almost as well known as the products the brothers Saatchi set out to promote. A bit of an exaggeration perhaps but again this week Britain's biggest advertising agency found itself making the news.

The agency bas taken its first step to a listing on New York's over the counter market. A move wbich will be accompanied by an offering of 4.83m new shares to American investors raising around £25m.

It's all part of a trend towards multinational companies wanting multinational agencies to bandle their sdvertising. Only the giants can straddle the Atlantic.

True to its UK form, Saatchi's expansion in the U.S. has been aggressive. Eighteen months ago the British firm snatched up one of the leading Madison Avenue firms with the £30m purchase of Compton Commnnications. The deal shnnk the comfy world of American sdvertising executives.

Yet getting a U.S. listing fnr Saatchi shares—thst is pushing hard. One obvious reason fnr a Wall Street quote is to keep its employees happy. In the most notorious of "people's businesses" dangling quoted paper in front of your productive assets can be very effective in keeping their bottoms on your chairs.

That is one point. The other is that a U.S. quote broadens the horizons fnr further purchases, though by the end of the year Saatchi should have £40m nr so in its bank book—and that should enable it to buy a creative person or two without pushing out lots more equity.

Dirty linen

The tangled basketful of laundry bids should bave been ironed ont during the week as far as the merger authorities are concerned, but in fact all four parties are still being kept waiting by the Office of Fair Trading. The first bid to reacb its closing date was Brengreen's £31m approach to Sunlight Service Group and that would normally be the signal for a clear decision by the OFT whether or not to refer the deal and all related offers tn the Monopolies Commission.

But the papers bave only just been passed across tn the Department of Trade and Industry for the Minister's own observations and, if necessary, his over-riding ruling.

It is not difficult to understand the delay. Leaving aside the importance of the issue of national bealth privatisation in its ancillary services, the affair is unusually complicated by the inter-locking nature of all four companies.

Both Sunlight and Pritchard, one of the leaders in the field of local authority and regional health services tendering, hsve been wooing Spring Grove for much of this year.

Both sides had been on the point of reaching an agreement with Spring Grnve at various times but, at a critical moment in August, Sunlight appeared to have dropped out leaving Pritchard to come in with a firm £15m offer. Sunlight said later that it was quite happy for Pritchard tn start the bidding but it bad not reckoned on Pritchard's successful canvass of important sbareholders.

And befnre Sunlight could pitch its own terms, it learned of Brengreen's approach. Sunlight, undeterred, duly launched its own equity offer and, since its share price was inflated by Brengreen's terms, could comfortably outbid Pritchard with an offer worth some £24m.

Despite this apparent price discrepancy, Pritchard had locked np 36 per cent of Spring Grove's equity first time round with acceptances from Charterhouse Group. When it came back with a revised offer, Pritchard tied up a further 14.1 per cent from a group of seven additional institutional investors. That gave it 50.2 per cent and Pritcbard was tn declare its bid unconditional as to acceptances.

Sunlight's tactics in the past fortnight hsve been to try to break this acceptance stranglehold.

First, Sunlight tried to imply that accepting institutions had been given what it termed inside information to throw their hats into Pritchard's ring.

Pritchard's tactics were thoronghly vindicated by the Takeover Panel but Sunlight has since said that its rival's acceptances did not include share options granted to Spring Grove executives.

Again, Pritchard has been vindicated by the Panel and has guaranteed that the options would not be exercised during the offer period.

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1983 High	1983 Low	
F.T. Govt. Secs. Index	81.88	− 0.29	83.60	77.00	Frustrated int. rate hopes
F.T. Ind. Ord. Index	702.6	− 4.3	740.4	598.4	Emphasis on secondary issues
F.T. Gold Mines Index	581.3	−43.9	734.7	531.5	Selling in thin market
Abingworth	280	−28	326	280	Apple Computer profits warning
Akroyd & Smithers	393	+33	393	260	Possible interest by Mercantile Hse.
Amal. Distilled Products	171	+18	178	130	Merger with Argyll Foods
Atlantic Resources	515	+65	615	35	Irish Sea exploration hopes
BL	58	−14	81	18	Temporary lay-offs
Biddle Hldgs.	135	−65	200	125	Dismal interim statement
Bowater	195	−10	245	153	Cash-raising rumours
Consultants (Comp. & Fin.)	430	−70	510	145	Profit-taking after recent rise
Helical Bar	84	+ 9	90	27	65p per share from Exent
ICI	552	+24	562	350	U.S. demand/appl. for N.Y. listing
Inchape	279	−34	355	268	Disappointing interim figures
Inter-City Inv.	71	−13	93	27	Profit-taking after strength
North British Props.	155	+61	160	87	Sun Life bid approach
Shell Transport	598	−24	640	403	Technical influences
Sunlight Service	212	−26	250	139	Laundry bids' imbroglio continues
Sun Oil (UK) Royalty	370	+85	370	55	Exploration hopes
Twinlock	68	+22	68	20	Agreed bid from Acco World

Not so dizzy

NEW YORK

TERRY DODSWORTH

WALL STREET managed to extend its dizzy recent performance for one day this week, touching a new high on Monday before retiring reflectively to consider its gains.

With little to chew on in the way of fresh economic news, and some strange cavortings to cope with in the federal funds market, it clearly decided that enough was enough for the time being. Prices drifted lower as volume hovered around the 70m to 80m deals a day mark, and the institutions took a less aggressive role.

Even so, by the time the Dow Jones Industrial Average touched 1260.77 on Monday, it had risen no fewer than 45.73 points nn seven consecutive days' trading.

The main fuel for this acceleration has come from the encouraging money supply figures which hav in turn given the federal reserve board sufficient room to smooth the money markets and keep short term rates steady. Early last week, indeed, the Fed seemed to have overdone it, as the Federal funds rates slipped to around 8 per cent.

This trend apparently went too far for the Fed's comfnrt, and it stepped into drain the market and send the rate scuttling back upto only just under 10 per cent at one point.

Through these conflicting signals, the market seems to feel that the aim is to keep Federal funds at around 9 per cent, and short-term bills have settled at well below that level.

But if sbort term rates are keeping the recovery moving, what are the prospects for inflation? At the long end, yields are still reflecting some fears of an inflationary npsurge—the Treasury's 30-year long bond is hovering around 11.50 per cent.

Twice this week, on Monday and Wednesday, the Dow Jones Index of 15 ntilities toncbed its highest point since 1969, the last time st 134.97. This may be suggesting that some investors believe that 1970s style inflation has been conquered, or thst the current decline in interest rates will give s big boost to the earnings of the ntilities.

But an equally convincing explanation is that the U.S. has just passed through a torrid summer and now looks to be heading into a coldish winter—the ideal conditions for jacking up the profits of the energy ntilities.

These companies are also starting from a fairly low base which gives them ample scope for recovery. According to Salomon Brothers estimates, price earnings ratios of the main electrical utilities stand at between 6.5 and 8, compared with the Standard and Poor's 500 p/e of around 13. Current yields are hovering in the 10 to 11 per cent range, but earnings per share and dividends are expected to grow quite strongly over the next year.

The market has also had to digest some intriguing take-over developments which may have limited immediate impact, but bsve long term imnlications for earnings during the recovery. Both the merger proposals of Santa Fe and Southern Pacific, two of the largest railways in the country, and the agreed take-over proposals fnr Republic Steel by LTV, show a switch from the npportunistic type of take-over activity which characterised the initial stages of the present bull market towards deals based more on structural considerations.

The initial reaction of the msrket to the railways deal was tn mark down both comoanies, although Southern Pacific, lost, mnst. Sonthern shareholders are to receive only 46 per cent of the new combined gronp, and seem to be taking a dissatisfied view of this sbareout given its valuable energy resources.

The steel merger merely goes to sbow what s jaundiced view the market now takes of beavy indnstry assets. Republic's net asset valuer, at $1.4bn, bas attracted a paper offer which, on a generous interpretation, is worth only about balf that Southern Pacific's shareholders, by contrast, are to receive stock worth roughly book value. But then, Reoublic's shares have been trading at only a quarter of book recently, and sometimes even less.

With prospects for substantial rationalisation after the merger, and steady earnings growth as the group's slimmed down capacity feeds into a rising market, there is little wonder that shareholders reckon they are getting a good deal.

MONDAY	1260.77	+ 5.18
TUESDAY	1247.97	−12.80
WEDNESDAY	1241.97	− 6.00
THURSDAY	1240.14	− 1.83

Getting a little edgy

MINING

KENNETH MARSTON

GIVEN reasonable encouragement, sharemarkets like to look ahead to better times for this, after all, is the name of the game. But, they can grow impatient, if not downright edgy, when they have to wait too long. Something of the sort seems to be happening in the mining sector as September passes and there is still no sign of the seasonal upturn in business activity and demand for metal.

Apart from zinc, nearly all the base metal prices have been sagging, possibly under the lead of copper which is considered something of a bell-wether. Precious metals are also in the doldrums with silver weak after its recent strength and gold uncomfortably close to the $400 per ounce level.

Against this background gold shares have been all the more jittery this week on fears that there could be repercussions on the market following the news that the investment firm, C. and R. Pastor Securities of Panama, has become insolvent. However, just as sharemarkets tend to discount good news so they also discount the bad.

So, of more concern to a gold shareholder now is the course of the bullion price and this should improve when prices of the base metals revive. Perhaps we should all be patient for a little longer because the world economic indicators are still pointing in the right direction.

South Africa's economy, however, is still passing through the worst recession since the end of World War II and the full effects have yet to be felt there of the severe drought which seems at last to be breaking.

So Mr Gordon Waddell, chairman of the Johannesburg Consolidated Investment ("Johnnies") mining and industrial finance house is no more than cautiously hopeful for the group's prospects for the year to next June. "The group, overall, is reasonably placed," he says in the annual report this week.

In the year to last June, "Johnnies" raised its earnings to R102.7m (£62.2m) from R96.1m. Although investment income was higher—mainly representing increases from the gold, diamond and brewery investments—the major gain wss was seen in "other net revenue" to R20.6m against R6.9m in the previous 12 months.

It is now disclosed that this item reflected a sharp increase in interest received, higher fees and commissions coupled with property sales and a fall in spending on exploration. Whether it will be so good in the current year remains to be seen and, indeed, this applies in several other facets of the group's interests.

At least, it can be said that platinum should contribute more than the previous year's 12.1 per cent of "Johnnies" income, if only because the recently increased final dividend from Rustenburg Platinum Holdings will come into the "Johnnies" accounts for the current year.

Mr Waddell has already forecast a fnrther improvement in Rustenburg's fortunes for the company's current year to next June, partly because of the recovery in the U.S. economy and partly because Rustenburg's sales have been given a fillip by the decision in January to abandon the prodncer price nf $475 per ounce and to sell on the basis of the lower prices obtaining on the free market.

Rustenburg's rival Impala Platinum Holdings is now the only major platinum producer to base its sales on the producer price, although just how rigidly it keeps to this price is another matter. In the annual report this week Mr Ted Pavitt, the chairman, has said that it is intended tn continue to sell "under contracted terms which ensure prices which are reasonable and stable."

It may be that in a recovering market, big users of platinum may be prepared to pay a little more to ensure continuity of supply, leaving the lower priced metal for the smaller fry. At all events it is not yet entirely clear as to how much extra business Rustenburg's lower prices have attracted at the expense nf Impala.

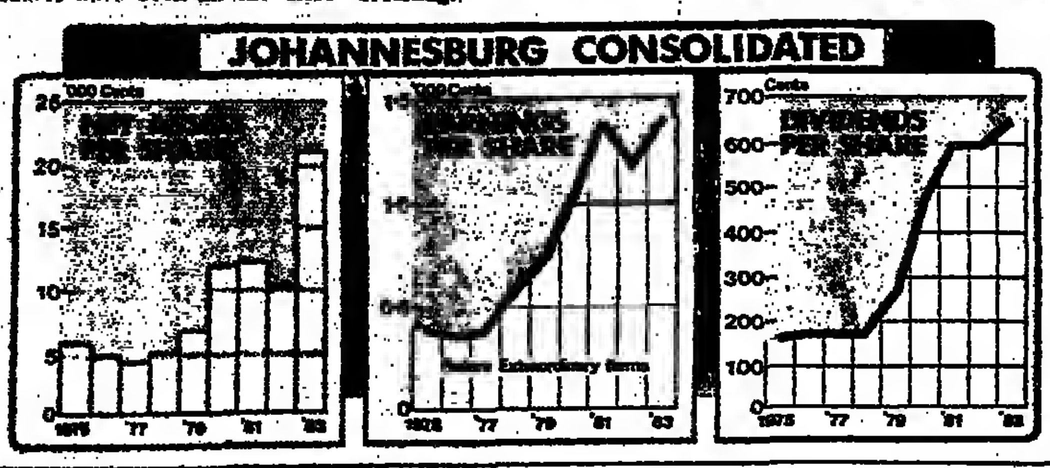
Both companies should have a satisfactory year although Impala does not expect any "significant" improvement in profits. Both are also pleased that West Germany and other western European countries are moving towards legislation to control exhaust emissions and to limit the lead content of petrol.

This will mean an important new market for plantinum in its proven role as a catalyst in emission control devices. Impala's Mr Pavitt says that it is unlikely that the new market will be significant before 1990, but it should be remembered that both companies run very long life mines and can easily expand the production capscity which is presently being underutilised.

● Australia's Peko-Wallsend and Pancontinental Mining have given np battling for the ownership of Robe River, the iron ore holding company. Pancontinental bas thrown in its cards and accepted the Peko bid for the shares it has acquired in Rnbe River.

As a consolation this will mean a useful cash payment of just on A$11m (£6.58m) for Pancontinental on the basis of Peko's A$2.65 per sbare bid (conditinnal upon a 90 per cent acceptance) which compares with Pancontinental's orginal bid of A$2.

● A disappointment for Consolidated Gold Fields has been the breakdown of talks with Ingersoll-Rand for the sale for some £10m of parts of the former's loss-making Skytop Brewster oil rig business in the U.S. Gold Fields has already written down the value of this investment by £87m.



BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	%	Others
Abbey National	7.00	7.25	8.25	9.00	2-yr. Bondshare, 3m. not/pen.
				8.25	High Option, 3 mth. not. no pen.
				8.25	60 Plus, 6 y. on dem. (int. pen.)
				7.75	7 days' notice, no int. penalty
Aid to Thrift	7.90	8.50	—	—	
Alliance	7.00	7.25	8.25	9.00	2 yrs., 3 mths.' notice/penalty
Anglia	7.00	7.25	8.25	9.00	2 yrs., 3 mths.' notice/penalty
				8.25	Capital Sh., 1 mth.'s notice/pen.
Birmingham and Bridgwater	7.00	7.25	8.75	8.25	Extra Interest Shares
Bradford and Bingley	6.75	7.25	8.25	7.75	7 days' notice, no penalty
				8.25	1 m. not. or on dem. (int. pen.)
				8.75	3 m. not. (int. pen.) reg. inc.
Britannia	7.00	7.25	8.25	7.75	7 days' not., 8.25 2 mth.'s not.
Cardiff	6.75	8.00	8.75	—	
	—	*8.50	—	—	*Share a/c bal. £10,000 & over
Catholic	7.00	7.50	8.50	8.25-8.50	Monthly Income Accounts
Century (Edinburgh)	7.25	7.75	—	8.75-9.50	Fixed terms 2/3 years
Chelsea	7.00	7.25	8.25	9.00-10.00	3 yrs., im. wdl. int. pen.
Cheltenham and Gloucester	7.00	7.25	8.25	8.25	Gold account £1,000+ no notice no penalties. Monthly interest £5,000 min. 8.57 if compounded
Citizens Regency	7.00	7.50	9.00	8.40	plus a/c £2,000+, no not./pen.
City of London (The)	7.25	7.50	8.25	8.25	4 mths.' notice—no penalty
Coventry	7.00	7.25	8.50	8.75	4 yrs., 8.50 3 yrs., 8.25 3 mths.
				8.00-9.00	28 days' notice/penalty
Derbyshire	7.00	7.25	8.50	8.25	
Greenwich	—	7.25	8.50	9.25	Subject to notice/balance
Guardian	7.00	7.50	—	8.75	3 months, £1,000 minimum
Halifax	7.00	7.25	8.25	8.25	Xtra Interest Plus, 3 months' wdl. notice or loss of interest
Heart of England	7.00	7.25	8.50	9.00	Tip Top Acc. 8.25 Flexi-Term
Hemel Hempstead	7.00	7.25	8.50	9.25	2 yrs., 8.50 3 months
Hendon	7.50	8.25	—	9.25	6 months, 8.75 3 months
Lambeth	7.00	7.50	8.75	9.10	28 days, 8.25 3 months
Leamington Spa	7.10	7.35	—	8.50	Top Ten. 8.75 Lion Share
Leeds and Holbeck	7.00	7.25	9.00	9.00	2 yrs. with m. int., 8.50 1 m. pen.
Leeds Permanent	7.00	7.25	8.25	9.00	2 yrs. E.I. a/c £500 min. 8.25
Leicester	7.00	7.25	8.25	9.05	3 yrs., 8.25 3 months
London and Grosvenor	7.00	7.75	9.50	8.25	High Yield (1 month)
London Permanent	7.00	7.75	—	9.00	6 mth. not. or 2 m. not. + pen.
Midshires	7.00	7.25	8.25	9.00	2-yr. Term Share, £1,000 min.
Mornington	7.80	8.50	—	—	
National Counties	7.25	7.55	8.55	9.10	28 days' notice £500 min.
National and Provincial	7.00	7.25	8.25	8.25	1 mth. not. also mthly. income
Nationwide	7.00	7.25	8.25	9.00	2 yrs., £1,000 min. wdl. with 90 d. notice and pen. Bonus a/c
				8.25	£500 min. im. wdl. with pen.
Newcastle	7.00	7.25	8.50	8.75	4 yrs., 9.00 2 yrs., 8.25 28 days' notice, or on demand 28 days' interest penalty
New Cross	8.00	8.25	—	8.25-8.75	on share accs., depending on min. balance over 6 months
Northern Rock	7.00	7.25	8.50	8.00	High Int. Sh. 8.25 Prem. share
Norwich	7.00	7.25	8.50	8.50	City a/c imm. wdl. no penalty
Paddington	6.75	7.75	9.25	8.75	Loss 1 mth. int. on sums wdn.
Peckham	7.75	8.00	—	9.00	3 months' notice, 8.25 Bonus
Portman	7.00	7.25	8.75	8.75	2 mths., 8.25 Flexi-Plus
Portsmouth	7.35	7.55	9.05	9.40	5 yrs., 9.00 6 mths., 8.50 1 mth.
Property Owners	7.25	7.75	9.00	8.75	28 days
Scarborough	7.00	7.25	8.50	8.25	Money Care + Free life insce.
Skipton	7.00	7.25	8.50	8.25	1 month's notice, 8.60 3 years
Stroud	6.75	7.25	8.50	8.85	3 months, 8.25 1 month
Sussex County	7.00	7.25	9.00	8.00	7-day County share account
Sussex Mutual	7.25	7.50	9.00	7.75-9.00	
Thrift	7.15	8.15	—	10.15	5 yrs. term. Other accnts. avail.
Town and Country	7.00	7.25	8.25	9.00	2 yrs., 60 days' wdl. notice
				8.50	imm. wdl. 28 days' interest loss
Wessex	7.25	8.30	—	—	
Woolwich	7.00	7.25	8.25	8.25	90 days (interest loss)
				8.50	Special Interest Shares, 90 days' not. or imm. wdl. with 90 days' interest loss (minimum £500)
				8.25	imm. wdl. 28 days' interest loss
Yorkshire	7.00	7.25	8.25	8.50	Diamond Key, 60 days' penalty or 2 months' notice without penalty

All these rates are after basic rate tax liability has been settled on behalf of the investor.

U.K. CONVERTIBLE STOCK 1/10/83

Statistics provided by DATASTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates¶	Flat yield	Red yield	Premium† Current	Premium† Range‡	Income Equ§	Income Conv¶	Income Div▽	Cheap (+) Dear (−)◇ Current
British Land 12pc Cv 2002	9.80	264.50	333.3	80-91	4.3	1.3	1.6	− 4 to 8	43.9	64.3	7.3	+ 5.7
Hanson Trust 9½pc Cv 01-06	81.54	220.50	107.1	85-01	4.4	1.9	− 4.3	− 6 to 1	146.9	66.9	−34.7	−30.4
Slough Estates 10pc Cv 87-90	5.03	236.00	234.4	78-84	4.3		−10.9	−12 to −1	6.5	4.9	− 0.6	+10.3
Slough Estates 8pc Cv 91-94	24.72	113.00	97.5	80-88	7.2	6.2	2.6	−38 to 14	21.1	28.2	6.4	+ 3.8

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. [illegible] ▽ Income on £100 of convertible [illegible] ◇ [illegible] is an indication of relative cheapness. − is an indication of relative dearness. ¶ Second date is assumed date of conversion. [illegible]

In-house insurance for names

JOHN MOORE continues his series on becoming a name in the insurance market.

The Long Room at Lloyd's

ANYONE WHO joins the Lloyd's insurance market as a member wants to make money rather than lose it. Yet the potential financial risks to which Lloyd's members are exposed are enormous.

All Lloyd's members are sole traders who act as small insurance companies, assuming risks in return for an insurance premium and paying out when claims are made.

There need be little financial strain when the flow of insurance claims is steady and the amounts of money involved in the claims is relatively small. Moreover, underwriters acting on behalf of Lloyd's members will have laid off some of the risks in the form of reinsurance contracts. This will have provided insurance protection for the members on the business they are accepting.

But Lloyd's has a reputation for insuring the more exotic risks and types of insurance which can produce losses of catastrophic proportions. A few years ago one syndicate at Lloyd's insured buildings in New York's Bronx for fire and damage to property and later found they had showed all the signs of spontaneous combustion.

The syndicate faced millions of pounds worth of losses which had to be carried by the 110 members of Lloyd's who formed the syndicate. But irregularities were discovered and a rare market rescue had to be carried out to help the members meet their losses. This was an exception rather than the rule at Lloyd's.

When heavy losses fall on underwriting syndicates — the units into which all Lloyd's members are grouped — each member has to bear his share of the losses to the full extent of his wealth. Lloyd's members have to accept the principle of unlimited liability.

There is a way in which to limit individual liability which has become increasingly popular in the past few years. Lloyd's members can take out their own personal stop-loss insurance which enables them to obtain a considerable degree of protection against an overall underwriting loss on any one year of account.

A normal policy covers the member against his personal overall underwriting loss in respect of all the syndicates in which he participates. It is not open to the member of Lloyd's to pick and choose those syndicates on which he would like protection.

It is usual for the member to have to bear the first 10 per cent or 15 per cent of an overall loss. The sum insured can vary: £20,000 may be a common amount but the amount of losses some members have insured for can be as much as £100,000.

Some insurances cover just one year of account while others provide protection for losses averaged over three or five years on a non-cancellable basis.

The Inland Revenue allows tax relief on the insurance premiums. More than 4,000 policies are estimated to be issued, the vast majority underwritten by Lloyd's but some issued by outside insurance or reinsurance groups.

Some Lloyd's professionals argue that the idea of stop-loss insurance tends to erode the principle of unlimited liability and reduce the confidence that outside members should have in the working members of the Lloyd's market who look after their affairs.

Others have said that in the event of huge losses which spread throughout the Lloyd's market—after some natural catastrophe such as a hurricane—syndicates which had offered stop loss cover would be severely hit and the business which could be carried out would be restricted.

Other members of the market have argued that the right course of action is for members to build up substantial reserves so that unlimited liability is rendered a legal obligation which is of no practical importance.

In any event, personal stop-loss insurance provides an important form of protection for those members at Lloyd's who prefer to sleep at nights.

● Next week: the advisors

PENSIONS

A costly exercise

ERIC SHORT discusses the Revenue's costing of pension tax reliefs.

THIS WEEK the Inland Revenue published its latest investigation* into the cost to the Exchequer of the generous tax concessions given to pension schemes. This exercise is undertaken periodically by the Revenue, but whereas all previous calculations have gone without any comment, the current publication set off a train of rumours that the Government was about to introduce radical changes in the currant tax structure.

Nigel Lawson, the Chancellor of the Exchequer, is currently seeking way of cutting back public expenditure and attempts to prune costs in the National Health Service have aroused considerable opposition. A look at the costs of providing tax reliefs on pensions shown in the table suggests that he could solve his problems at a stroke simply by removing those tax concessions.

The Revenue has emphatically denied that these investigations have any significance regarding the Treasury's attitude to pension tax concessions and that there is no intention of changing the present system even though Margaret Thatcher is sympathetic to the concept of "fiscal neutrality"—that is, spreading the tax burden equally, rather than favouring particular types of income, expenditure or investment.

There is no specific figure that answers the question—"what do pension scheme tax reliefs cost?" It depends on what assumptions are made. The Revenue has this time changed its method of estimation and the document sets out the alternative tax philosophies and gives accompanying calculations. Herein lies the source of much confusion, but also much food for thought to those advocating changing the current pensions framework.

The problem starts right at the beginning in how one regards a pension. Is it deferred pay, as maintained by the trade unions and many employers? Or is it a kind of saving out of income, for a pension at retirement?

The deferred pay concept would mean allowing payments towards the pensions—contributions and investment income—to be tax exempt, as with payments for current pay, and taxing the eventual pension payments as earned income. This is the basis of the present system.

The savings concept could mean that savings were made out of taxed income, but the ultimate pension would only be taxed to the extent that it had an element of investment income. This is the current position with savings through life assurance.

This latter concept is of particular relevance to the proposal to switch to portable pensions, where the pension is regarded as an integral part of an employee's savings. Nigel Vinson of the Centre for Policy Studies and other advocates of the portable pension concept have blithely assumed that the current tax concession framework will apply.

Under the present system, the Treasury is paying out high amounts of tax concessions on contributions and investment income, but its return from tax on pensions will not be reaching maturity for many years. A switch to taxing contributions and treating the ultimate benefits rather more favourably would reverse the position and ease the current problems of the Treasury.

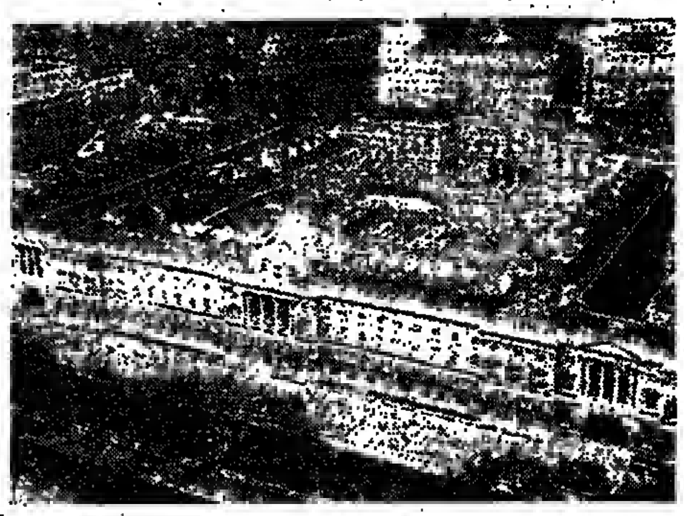
While there is no immediate danger of this happening, it is a point that the portable pension advocates should seriously consider.

One feature that emerges from the Revenue document is a disquiet concerning the tax treatment of lump sum benefit payments on death or on retirement. If the concept is that payments into pension schemes are tax free but payments out are taxed, then this should apply to lump sum benefits as well as to income payments. Yet an employee in a private sector scheme can commute part of his taxable pension into a tax free lump sum with the commutation calculations being based on the gross pension—a somewhat paradoxical situation.

Again employees in the private sector need not worry unduly. Any move to change this tax concession would also involve changing the statutory framework of the Civil Service pension scheme, which includes employees of the Inland Revenue. This laid down several decades ago that the benefits on retirement are both a pension and a tax free lump sum. This would have to be statutorily changed if any move was to be made against lump sum commutations in the private sector.

A possible compromise would be to tax lump sum benefits in a similar manner to that given to lump sum life bonds. This would mean subjecting the "profit" element in the payment to higher rate tax only on a top slicing principle.

● **Costing of Tax Reliefs for Pension Schemes—Appropriate Statistical Approach, from the Reference Room of the Inland Revenue Library, Room 8, New Wing, Somerset House, Strand, London WC2R 1LB.**



Somerset House

Current cost in 1983/84 to the Treasury of the various tax relief elements on pension schemes

	£bn
Tax relief given for employees' contributions	1.10
Tax relief given to employees treating the employers' contributions as benefits in kind	1.10
Exemption of the investment income of pension funds (assuming tax at 30 per cent)	2.25
Exemption of lump sum benefits	0.65
Offset by tax yield from pensions in payment	1.85

7

Sun makes a mark

Symbol of protection

FIT ADEQUATE security devices on your house and Sun Alliance, Britain's largest household insurer, will knock 10 per cent off your premiums.

This is one of the features on Sun Alliance's new contents insurance policy, named Firemark. But it is not primarily a boost for Britain's security alarm companies. To qualify for the discount, householders must follow the advice given by Sun Alliance's inspectors. But John Westlake, the company's official responsible for the new policy, states that for 80 per cent of homes, adequate security locks on doors and windows will be sufficient.

Firemark offers much more than this, however. Over the past decade, householders have been demanding much wider cover from their insurance, particularly cover for accidental damage. The pattern of claims has been changing. The growth in burglaries now means that thefts accounts for half the claims on contents insurance.

Thus householders with a high value of contents need that extra protection and Firemark has been designed to provide this for householders whose contents value is between £20,000 and £50,000.

Sun Alliance has made a thorough investigation into its claims pattern. The vast majority of thefts relate to those intruders who look for an easy entry into homes to take away valuable, easily carried and easily disposable items. The growth in ownership of videos and hi-fi equipment has given easy pickings to such thieves in addition to the usual high risk items like jewellery, furs, watches and so on.

So Sun Alliance has distinguished what it classifies as high risk items, for which it changes to a higher premium rate. The theory is that £10,000 worth of silver is more vulnerable than £10,000 worth of carpet.

So the householder, under Firemark, calculates the total sum insured for high risk items and the total sum insured for the rest of his possessions; the appropriate premium rates are then separately applied. Firemark combines the old concept of contents insurance covering the majority of household possessions and All Risks covering the valuable movable items.

Sun Alliance has also completed an investigation into theft patterns by geographical location. It now has six rating areas, from the lowest in rural Devon and Cornwall to the highest risk areas of London like Hampstead and Golders Green.

A direct comparison between premium rates under Firemark and the existing home insurance policy of Sun Alliance is difficult because it depends on the mix between high risk and other items. The example shows the effect for one single case. Premiums are cheaper under Firemark for all except London where they are much higher. London rating is giving all underwriters problems under present conditions.

The final gimmick with Firemark is that householders will receive a real ornamental firemark with their policy. In the early days of fire insurance, householders taking out a policy with an insurance company received a firemark of that company, which they fixed to the wall of their house. This was to enable company fire brigades to identify houses of their insured.

Sun Alliance has revived this tradition, but John Westlake advises prudent policyholders to put their Firemarks inside their houses. Otherwise the blue and gold ornament will direct potential thiefs straight to a house worth their consideration — even though it will also warn them that it has certain security precautions.

The Firemark is a replica of the old firemark of the Sun Insurance Company, the oldest company in the Sun Alliance Group, founded in 1710. It would perhaps have been more appropriate to have used the logo of Sun Alliance itself.

The rank and file householder with less than £20,000 worth of contents has still to use the existing policy, while at the other end those with contents of £50,000 or more would be individually assessed and rated.

Eric Short

Premiums paid for contents valued at £20,000

District	Firemark* £100 excess £	Firemark* £25 excess £	Home insurance† £
0—Certain rural areas	117.90	135.90	148.00
1—Rest of the country areas	129.60	147.60	148.00
2—Outer areas of major cities, Home counties	156.60	174.60	188.00
3—Outer London, Inner cities area	183.60	201.60	228.00
4—London postal areas	340.20	358.20	323.00
5—Selected London areas	392.40	410.40	385.00

* Sum insured split £6,000 high risk items, £14,000 other items—includes 10 per cent discount. † Contents insurance of £15,000 plus all risks of £5,000 of which £3,000 is specified.

The right house in the right environment

BY JUNE FIELD

SEE 14 tall, slim Regency-e town bouses with mews ages in a square with an gian-inspired stalue is an isual sight in the middle of field deep in the Sussex otryside.

They are in "Marchwood," on outskirts of Cbichester, not from the Festival Theatre, t of a distinctive new com-x of contrasting appeal. For well as the terraced town uses, there are cosy cottage-l farmhouse-type homes, plus, be built next year, courtyard s in a long, low building niniscent of a barn.

All the homes in the pleasant partly wooded estate bave been designed by the Critchell Harrington Partnership, local arcbitects, with two developers, Roger Penfold, Downland Constructioo (town houses), and Barry Sampson, Seaward Properties (country-style homes). They used to be io partnership, but now build independently.

Having bought the land together, a coin was tossed to decide wbo would develop wbich side, although coostruction will be shared on a heated indoor swimming pool and squash court for use by all the residents. "Buying an environment" is how the two men refer to what is an enterprising idea in an idyllic situation.

The Downland town bouses, with five bedrooms and three bathrooms, plus views across the Downs to the new stand at Goodwood Racecourse, are timberframed with a brick exterior. "The specifications met in the structure of the houses far exceeds the stringent requirements laid down by tbe National House Building Council and any building regulatioos," insists Roger Penfold, who is going to live in ooe of the houses. (In view of the recent controversy over timber-frame, it is worth noting that Barratt have doubled the normal ten-year warraoty period to 20 years.)

Prices are from £79,500 which includes kitchen equipment but not carpets. Carolyn Peofold will organise a complete interior design package of co-ordinating floor coverings, curtains, blinds, bedspreads and even cushions, for under £3,000, all to be fitted before moving-in day. An extra £4,000 buys a quintagonal glazed conservatory off the dining-room, installed by ..chael and Jane Burton's "The Room Outside," eochanting garden furnishing ceotre beside the Richmond Arms and the gates of Goodwood House.

The Seaward four-bedroom, two-bathroom detached houses are built io the traditional way, with a cavity wall where the outer skin is brick and the inner skin blockwork. Prices are from £84,950 including double garages, kitchen appliances aod carpets. Plus points are a bidet in the main bathroom, and a separate utility room, and part-exchanges with an existing property can be arranged. For advice on decor, Lisa Sampson has her own design company.

Buyers for both sections were lining up after this week's launch of the showhouses—executives from overseas companies (the Middle East and Taiwao), returning home next year, and local families tradiog-up or preparing for retirement. Both sales offices are open seven days a week at Marchwood, The Drive, Summersdale, Chichester, where requests for Downland brochures should be addressed to Roger Penfold or Peter Burrell, Whiteheads, aod to Barry Sampson or Jeremy Thomas for Seaward literature.

Farmhouse-style 4 bedroom, 2 bathroom family home with two garages on a new estate, Marchwood, Chichester, where the showhouse is open seven days a week

Photographer Charles Settrington's 18th ceotury house and mews studio at 245 New Kiog's Road, Parsons Greeo, Loodon, SW6, for sale on offers in excess of £250,000 freebold. Details Jobn Lorrimer, Mistral Iotcrnational, Blenheim House, Bursoall Street, London, SW3 (01-351 3131).

Patchy market

"IT IS very patchy. People are 'picky'," is one consensus of opinion of tha state of tha middle sector of the second-hand housing sceoe.

Any euphoria is reserved for tbe top end of the market, which, in central Loodon anyway, still appears to be dominated by overseas buyers.

There are "end-of-season" bargains to be mopped up, but the average British buyer teods to negotiate on a very modest basis. Says Gary Hersham of London's Beauchamp Estates: "Rarely is an offer made at anything more than about 5 per cent below the asking price. It is not properly understood that most vendors have included that amount anyway as a buffer."

Ao autumo brochure of country houses in the West of England features various reductions such as a restored farmhouse near Honiton, Devon, down to £98,000 from £120,000. But smaller cottages in the £40,00-plus range maoage to keep their price. (Free copy from Russell Whitlock, Fox & Sons, 8, Chanel Street, Penzance, Cornwall.)

Even in the top bracket, violinist Yehudi Menuhin's late 17th century house in The Grove, Highgate Village, with six bedrooms, four bathrooms, a music room and a sauna, bas been reduced to £625,000, a drop of over £200,000. (Mr Menuhin and his ballerina and interior designer wife, Diana, have moved to Chester Square, Belgravia.) The agents are Steven Buston, John D. Wood, 103, Parkway, Londoo, NW1, and Stuart and Tivendale, 61, Highgate High Street, N.6.

Some interesting places just coming oo the market carry the magic marker of £250,000 oc so. That is the figure asked for the freehold of 245 King's Road, Parsoos Greeo, SW6, iotriguing 18th century house and mews studio being sold by photographer Charles Settrington, son of Lord March and graodsoo of the Duke of Richmond and Gordoo of Goodwood. (Details John Lorrimer, Mistral International, Blenheim House, Bursnall Street, SW3.)

There is a similar guide price co Adams Farm in eight acres at Sweethaws, near Crowhorough, once the home of actor Dirk Bogarde; made up of a 16th ceotury hall house, Tudor barn and old farm buildings. It is for sale through Anthony Brooks, Braxtoos, 16 High Street, Tunbridge Wells, Kent, who have also produced a free listing of country bouses aod farms.

Also in Sussex, on offers in the region of £250,000, is Salthill House in 3½ acres at Fishbourne, built about 1780 by local merchaot and banker John Newland. It is a gracious, elegant, but very liveable in family home. The old dog sat at my feet in the library while the owner poured tea, and we negotiated the children's toys to the magnificent Victorian conservatory with its passion flowers and strelitzia, progressing to the suo room with its view of Chichester Cathedral and vinery leading to the swimming pool. Peter Burrell, Whitebeads, 52 South Street, Chichester, will organise viewing.

The Horseracing Betting Levy Board, responsible for the operatioo of the National Stud at Newmarket, are finally putting Stud Director Michael Bramwell's home, Regal Lodge, Exning, Suffolk, on the market at around £½m. (The board are having a oew house built for him at the Stud so that he can be near his charges.) The pretty house has a stable block now converted to garaging for four cars, aod there is a paddock across a little wooden bridge over a stream. "Nice manageable houses with a staff cottage plus facilities for a training establishment in this price-bracket are scarce in this area," said agent Christopher Stephenson of The White House, East Garston, Berkshire,

Exorcising the finny breed

FISHING

JOHN CHERRINGTON

SOME WEEKS ago I met an old schoolfriend who had in the fulness of time become a bishop and now a retired one. He inquired about my health. Very good, I told him. Then, as appears second nature to a prelate, he became inquisitorial. You seem to have something on your mind, some fundamental worry; your marriage? your family?

I replied that he was right, but it was nothing like that. The fact is that I have an obsession, a craving which I can't resist. He was all attention.

Drink? Gambling? Sex? He is a very broadminded cleric. The fact is I told him, I have to go salmoo fishing. I spend countless hours on rivers and streams flogging them to the point of exhaustion, knowing that I may oever see a fish, let alone catch one.

I have reasoned out the stupidity of the exercise that the chances of catching one are about one io a million casts, and that with the decline io salmon stocks the odds are getting longer every day. Bot still I persist.

Could you not, with your great wisdom and experience, exorcise this demon from me? Exorcism was I thought part of a priest's basic training. It was oot on any curriculum he told me but most in his calling bad had a shot at it during their ministry, on an amateur basis, of course. "But," he went on, "yours is a difficult case. Most vices and obsessions are founded on pleasurable sensatioos in the first place.

"Thanks to their early religious training most people have a guilty conscience about enjoying themselves aod an exorcist ofteo gets the best results by playing oo these subconscious themes.

"But in your case things are very different. Salmoo fishing by every account appears to be a form of self torture which we only see in Iodian Fakirs lyiog on beds of nails. When io India I found it impossible to make such people see any reasoo at all. They don't seem to feel any paio. Do you?"

"I certainly do," I said. "I am often wet, I get very tired, the hooks stick into my ears and hands. I talk of nothing but fishing in the brief moments when I am not in the water. I know its a mug's game but I still can't give it up."

"You poor fellow," he said. "I will try. But I can't promise anything." Two days later I caught a fish, ond this of course spurred me on, and then for two months things on the Wye got steadily worse. The river dropped and got warmer and several weeks passed without anyooe catching a fish at all.

I gradually gave up going there at all. Previously I had insisted in fishing even in impossible conditions.

So fortified I took my wife to Scotland. We had been once this year but I had imprisooed her in a cottage with five other fishermen for about ten days.

She was suspicious especially when she noticed my rods io the boot. I explained it was all part of the cure. A real test of my resolution, like an untouched whisky bottle in a drunkards cupboard.

And the cure worked. We stayed in a couple of fishing hotels, and I smugly watched the poor saps returning empty haoded every eveniog. I saw numerous promising rivers and passed them without a pang.

They were down to bare bones of rocks. No fish could have navigated them. The bishop bad obviously done his stuff with the weather.

Theo oo my way home I called in on the Wye. Yes, it had livened up. I decided to fish. After two hours io the boat I was soaked to the skio and hadn't seeo or felt a fish.

With great self sacrifice I gave my place to a younger man and weot off to change and get warm. He caught a fish.

In the afternooo he suggested that I should fish from the bank and there were fish there. I saw three or four continually. For three hours I fished them without respite, using every kind of bait, legal of course. To no avail. But 100 yards up river he caught another where nooe was seen at all.

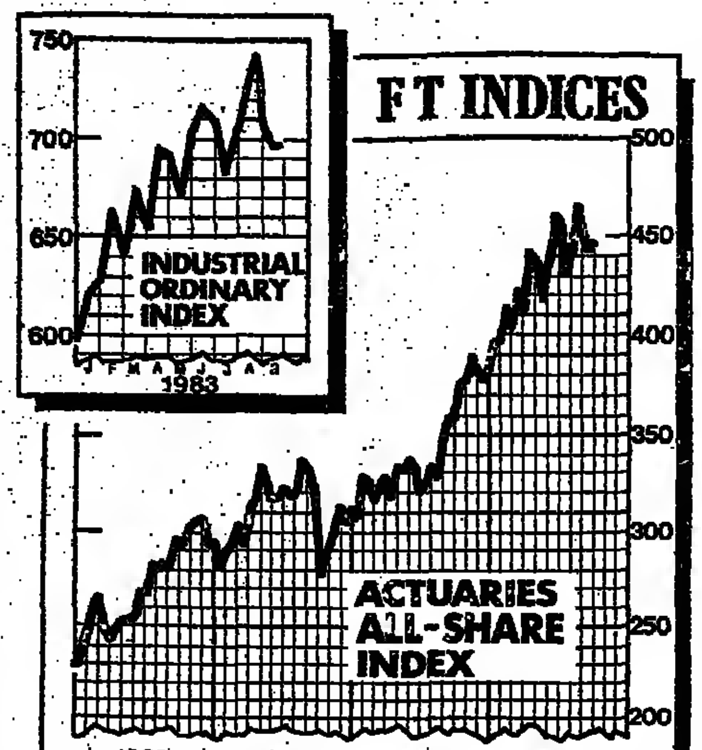
I drove home io cold fury at my stupidity in mortifying my flesh to the extent that I had. I determined to give away my next day but fouod no takers.

It woold be a pity to waste it so I rang the ghillie the night before. "The river is in flood and impossible," he said. I breathed a sigh of relief. The bishop seems to be winning.

هكذا من الأصل

Experts' views on prospects for equities

Be ready for the downside



A TIRED-LOOKING equity market sagged again this week, with the FT Industrial Ordinary Index easing back once more to wobble around the 700 level.

Since it hit a peak of 740.4 on August 22, the Index has failed to be encouraged by generally favourable company news. The more broadly-based FT Actuaries All-Share Index—which reflects the movements of as many as 750 individual shares—has shown a similar retreat from its own all-time high of 465.74 in mid-August.

Market watchers have noted the increasingly wide swings shown by both indices since the spring—indications, perhaps, of increasing divergence of the views of big investors in equities. So far each profit-taking wave has been more than offset by a subsequent surge of buying. But the big question is whether some time soon the bears will finally gain the upper hand.

Already the saw-tooth pattern of the indices has reflected nervous churning amongst individual shares and sectors. While the All-Share Index continues to show a gain of approaching a fifth for 1983 so far, a number of the important sector indices have been struggling badly.

Electricals, brewers, tobaccos and mechanical engineering are showing little or no improvement on their end-1982 levels. The same applies to the stores sector index—a curious fact in the middle of what seems to be a generally strong period for retail sales, and an indication of how the stock market looks some way ahead.

At the moment, it seems, the market is not at all enthusiastic about prospects for most consumer sectors. Enthusiasm has been reserved for areas like oils, chemicals and shipping, which are beneficiaries of a reviving world economy.

The favourite sector for investors this year has, curiously, been newspapers—though for very special reasons, with a number of newspaper groups suddenly discovering they were sitting on a gold mine in the shape of their shares in Reuters, soon to be a technological glamour stock.

But even high technology shares are beginning to look a little jaded, with a flood of market newcomers—like Telemetrix and Acorn this week—jostling for investors' attention, and word from the U.S. of a savage shakeout in the personal computer market.

So are we approaching a turning point for the equity market? This week I put the question to four top research specialists in some of the leading firms of stockbrokers.

The overall message is indeed one of caution—though it is not unanimous, and none appears to think that equities are vulnerable to a really severe setback.

Kenneth Inglis of Phillips and Drew is starting to worry about the economic outlook in 1984. "I suspect the rate of profit growth will slow down," he says, adding that "the market has taken an optimistic interpretation of almost everything."

In the U.S. he fears that the American authorities have been "conning themselves with their monetary numbers" and in the UK he is bracing himself for a collision between the budget deficit and the financing requirements of companies.

To him that spells a tough 1984 Budget, and even so there could be a significant increase in the rate of inflation—perhaps to the 6½ to 7 per cent level—which might cause investors to start worrying about it again.

At any rate, he sees the economic recovery starting to peter out—and would not be surprised at a mild shake-out in equities during the next few months. Although fundamental values are reasonable, investors should be able to get in more cheaply in the not-too-distant future.

At Hoare Govett, too, an economic slowdown is anticipated by Roger Nightingale. He thinks that the economy has been stronger in the past 18 months than official figures have so far indicated. "Growth is too fast to be sustained," he argues.

The Hoare view is that either investors will be worried by accelerating inflation, or they will be faced by a Government-induced credit squeeze. Either way, the FT index will be unable to stay above 700.

"I think 650 is very attainable, but 625 is as far as it's likely to go down," says Nightingale. "January could be the low point."

Certainly he dismisses current market hopes that money rates will drop. "The logic is that interest rates go up, not that they go down," he says.

In the immediate future, too, he sees conditions in the U.S. as being pretty tight. "Our analysis of America is that the economy is growing far too quickly to be supportable."

Next year, however, he suspects that monetary policy could be let rip in the U.S. ahead of the Presidential election. That could send temporarily favourable ripples across the Atlantic for equities. "I wouldn't rule out a new rally next spring," he says.

Up in Edinburgh Bill Bain of Wood Mackenzie has been expecting a setback in the equity market for six months now, at least relative to gilt-edged.

"It looks as if we have had the beginnings of a reasonable correction in the past month," he says. "We would look for that correction to continue a little further."

One reason is the spate of new issues. "The pressure of supply of equities is beginning to have an impact on the market," he suggests, mentioning the recent BP issue. But he is not expecting anything resembling a collapse.

For the time being, a relatively solid performance by gilt-edged and a good series of company results will underpin the performance of equities.

Looking a little further ahead, however, Bain is not quite so confident. "The real questions to be answered will be in 12 months' time, when inflation and interest rates will be picking up."

While short term bears abound, however, James Fergusson at James Capel—recently judged once again the number one broking firm for equity research—refuses to run with the herd. "The market is not going to go down very much," he insists.

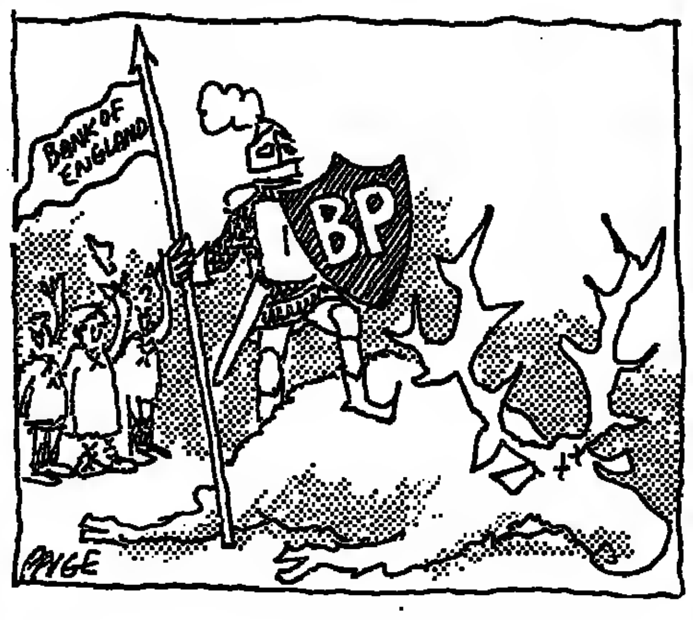
He is taking a positive view of the gilt-edged market, which should have a favourable knock-on effect for equities. Dividends are rising quite well, and he thinks the rush of UK investors' money abroad is slowing down—which should be helpful for our own domestic market.

So there is a good chance that the FT Index has not yet peaked, Fergusson suggests, setting a target of 775 by the end of the first quarter of 1984. "But that might be the peak," he adds.

He judges that sentiment in the market will improve. "There's not much froth around, and the market's biorhythms hit a low about three weeks ago. I can see perfectly reasonable justification for the market going up another 10 per cent."

Barry Riley

No party for BP stags



THE Square Mile has been alive with the sound of anguish from would-be stags of the British Petroleum 130m share issue. They wail that their application cheques have been cashed, with consequent loss of interest, even though they bid too low to be allotted a single share.

At the beginning of the week the Government set the seal on a very successful piece of asset disposal. British investors competed to buy 130m shares in British Petroleum, which had been offered at a minimum tender price of 405p per share.

On Monday the Bank of England announced that the offer had been oversubscribed and it was able to strike a price of 435p per share. This was more than enough to raise the £500m minimum target of the sale.

The £2 partly paid shares opened at 212p and have maintained that premium since. So successful tenderers, and those small investors—up to 73,000 of them—who applied to be allotted shares at whatever turned out to be the striking price—can feel reasonably content.

But over the past few days there have been many complaints from would-be investors, who were not allotted shares, but whose application cheques were cashed.

Many of them are unlikely to see their money back before Monday according to the timetable of the Bank of England.

The resulting howls of anguish, including those from self-confessed stags, are understandable. Aside from the ignominy of seeing the Government gain interest at the expense of the unlucky "investors," there are other equity offers which closed during the period in which the Bank sat on the cheques.

However, the irate would-be BP shareholders were warned clearly in the prospectus.

That stated unequivocally: "All cheques are liable to be presented for payment and letters of acceptance and surplus application money may be retained pending clearance of cheques. Any multiple applications or suspected multiple applications are liable to be rejected."

The last part of the warning is significant. It was directed at stags. The stagging of Amersham International and Associated British Ports created severe political embarrassments which the Government was absolutely determined to avoid in the BP offer.

That was one reason why the BP sell-off, and the earlier Britoil float, were offers for sale by tender, rather than the fixed price issues on which the stag feeds.

However, having reinforced that deterrent, with the cheque-cashing threat in the prospectus, would-be stags were in effect getting a double warning.

The Bank of England argues that there is nothing unusual in cashing such applications. It is common practice, it says. And after all, what are clearing banks for?

Additionally, many of the application cheques were cashed by the clearing banks, when it was not known what the striking price would be. At that time all cheques were equally important and valid.

The cashing of application cheques is more frequently a feature of the fixed price offer, where all applicants are paying the same price.

But take the example of the offer for sale of Superdrug Stores in February. The over-subscription multiple was so high that applicants on average, got about 1 per cent of the amount "paid" for.

But there were no complaints then about cheque cashing, even though investors were, in effect, 99 per cent unsuccessful. So much of the anger caused over BP stems from the fact that on this occasion the Government, which purports to act in the interests of the small investor, was the principal.

Dominic Lawson

Versatile lady

BY ROBIN LANE FOX

Vita: The Life of V. Sackville-West
by Victoria Glendinning. Weidenfeld and Nicolson. £12.50. 430 pages

"She has such dignity and poise," wrote Vita's mother in 1922. "She is not in the least conceited and really does not make the most of her opportunities by leading such a quiet life." Virginia Woolf was more astute:

"Her real claim to consideration is her legs . . . oh, they are exquisite, running like slender pillars up into her trunk which is that of a breastless cuirassier."

Vita did not walk: she was one of the last English aristocrats who strode. How wrong can a mother be? In 1918, she was striding through London in men's clothes, not Vita but Julian in tweeds. In 1920, she strode to France, attempting to elope with her lover, Violet, and was only turned back by aeroplane at Amiens. When Violet married, she strode to Paris, removed her from the Ritz on her wedding night and made passionate love to her in a small hotel.

I have seldom been so gripped by a modern, society life. On the ground which she has marked out Victoria Glendinning could hardly have done better. When the daily details are most dense, she arranges them artfully and paints them with a pleasant irony. She understands the social milieu which she has to evoke and she can appreciate what mattered to it, and she does not distort it with the nostalgia or shock of the 1980's middle class. Pages roll by, a hundred at a time, and I defy readers not to catch their breath and wonder at this extraordinary record of emotions. It is sometimes sad, sometimes comic, and as a whole, very moving.

The life and times of Vita Sackville-West have not gone short of literary attention. Her husband, Harold Nicolson, has had two volumes of biography and the full exposure of his Diaries. A phase of their marriage has been published through her own portrait and their garden has been described, but never exhausted. Lives of their Bloomsbury friends fall as thickly as the autumn leaves in Sissinghurst's moat. We have had Vita and Virginia, Vita and Violet. How could we want any more?

Please do not miss this latest episode out of sheer exhaustion. You may remember the Vita whom we first met in the late 1960's in Harold's Diaries, the Vita who only had one evening-dress in her cupboard, who never accompanied Hadji to those witty dinners with Lady Sybil and whose one plan for something other than gardening was a plan for a suicide pill when the Germans invaded Kent. This Vita was deceptive. *Portrait of a Marriage* shook us, the manuscript of her early Lesbian love-affair with Violet Trefusis which she claimed to have deposited with a bank manager in Sevenoaks; her son, Nigel, ripped it from a thick, leather bag in Sissinghurst's Tower after her death. Since then, everybody has come out. It is only right that Vita should have her own episode in the serial "Sissinghurst," her own Bouquet of Barbed Roses.

For the script is still without an equal. Vita and Harold both kept diaries and multiplied their letters to and fro. We can know more about their emotional life and relationships than about any other figures in high society. Historians who say this subject is all tittle-tattle are talking nonsense. This book shows why the Nicolsons were such compulsive recorders of their marriage and emotions and why we will never see their ilks again. Harold, of course, was homosexual, Vita, as they put it, a Sapphist. Harold, ironically, started it all when he was thought to have caught something nasty from a man and had to tell his young wife the truth.

Vita then followed her emotions and on my count, seduced six women and several men before she ran out of steam, aged 40. Often she had run two at once. Behind it all stood her own parents' difficult marriage and her mother's selfish, domineering presence. Vita was a precocious child, fluent in several languages and already given to literary pastiche. Her mother ("B.M.") can obviously be related to her emotional development: Victoria Glendinning has some fun with mother's comments in later life. On paper, Harold and Vita fostered the relationship which in life, was rather different. Their literary exchanges expressed something about it, but in turn they influenced it and helped it to seem worth keeping alive. Harold looked to Vita for reassurance and liked her to be decisive. She respected his taste, and his aesthetic sense and Horatian judgment. Clearly, they loved each other to the end. Their own divided natures and early life made them obsessive recorders and as if to reassure themselves, they liked to air their common ground in public. Are there any survivors of the talks on Marriage which they gave on American radio 50 years ago?

Many will feel that their compromise was not, after all, so odd. Their homosexuality made it easier: there was no risk of children; and, in the social climate of the time, they were well advised to keep together and believe in their home front. Miss Glendinning judges Vita with detachment. She points to her gift for fantasy, for taking more than she gave, her sudden dropping of her lovers, her failings as a mother and her growing, deep Toryism: "I think it sounds dreadful," she said of The Beveridge Report of 1947, "the proletariat being encouraged to breed like rabbits because each new rabbit means 8/- a week." Patrician Sackville attitudes governed her, and in words peppered her speech: "bedint" (petty bourgeois) "scrape" (Lesbian love-sickness), "bone" (articles written for money), "Tray" (Raymond Mortimer, Harold's lover), "beguina" (1920s for a lover). The Nicolson letters combine Georgian elegance with a polished naivety which you either like or loathe. I revel in it. We are not only *voyeurs* of affairs which contemporaries seldom guessed. We are looking in on a couple who give themselves away.

After Violet, came Virginia, a fling or two, but somehow Vita could never "beguine" again. She aspired to be a poet, but her verse is a Georgian flop. The public bought her romances in vast numbers and preferred her by far to Virginia. This book shows clearly how her fiction expressed her private life and tensions. From the mid 1930s the wild gypsy withdrew, all passion spent (the title of her best book). She returns to Sissinghurst, old age, drink and those brilliant decades of committed gardening. Minor events became major: wasp-stings, dogs and the staff. Revealingly, she continued to write to her grown-up sons as if they were 12. I like this elegant second half, and at times it is not just sentimental but decidedly sad.

Finally, I have some criticisms. Deliberately, her biographer tells us little of Vita's friends, because others' books on them exist. Miss Glendinning lacks a wider historical sense, though the 1920s and 1930s are for many of us another country. History and biography

Victoria Sackville-West in 1919

should not be such enemies. Above all, she is out of her depth with the gardening; latterly, this book is like a life of Strauss without the music. We do not see why Vita's gardening journalism is still classic, how or why her gardening style developed or how, as her friends assured me, she had such a sharp, exact knowledge of plants. Hard, involved gardening, and a rare love of nature, and the lonely silence of a garden at dusk: these tastes connect with her mythomania, her Orientalism, her Georgian poetry, the barriers beyond which not even lovers could pass. For Vita also strode through compost and years of tough planting. The result was an expression of herself, like her fiction.

Fiction

Italian tapestry

BY ISABEL QUIGLY

The Name of the Rose
by Umberto Eco, translated from the Italian by William Weaver. Secker and Warburg. £8.95. 502 pages

A Hot Country
by Shiva Naipaul. Hamish Hamilton. £7.95. 185 pages

Life and Times of Michael K
by J. M. Coetzee. Secker and Warburg. £7.95

Waterland
by Graham Swift. Heinemann. £7.95. 310 pages

The Wolf
by Max Davidson. Quartet Books. £7.95. 217 pages

Squeak. A Biography of NPA 1978A 203
by John Bowen. Faber and Faber (paperback) £2.95. 127 pages

Umberto Eco is an Italian academic who writes brilliantly on semiotics and aesthetics and now turns out his first novel, *The Name of the Rose*. In form a detective story set in a great medieval monastery in Italy, with an international cast and an English Franciscan detective suitably named William of Baskerville, it has murders taking place daily throughout a busy week, suspects being eliminated as they become victims, and the vast intellectual, social and cultural world of learning (which spans the whole of Europe, with excursions into the Middle East) coming alive in its microcosm, the murderous monastery. The novice Adso, William's green young assistant from Germany, writing the story in old age, tells it with wide-eyed exactness as, Watson-like, he pads after his master, picking up clues a short way behind him. The dénouement takes place in a hidden chamber where the distant cause of all that has happened, the one for whose sake all was done, at least, turns out to be . . . Aristotle.

None of this gives much idea of the book's richness. To call it a detective story is to diminish its enormous learning and intellectual energy. The late medieval world, teetering on the edge of discoveries and ideas that will hurl it into one more recognisably like ours, its thought, its life-style, its intense political and ecclesiastical intrigues, its orthodox and unorthodox behaviour, its world of passionate scholarship and lifelong addiction to ideas as the source of all energy, its steamy and seductive currents of heresy, of thought tangential to the orthodox—all these are evoked with a force and wit that are breathtaking.

In *A Hot Country* Shiva Naipaul writes about Guyana (which he calls Cuyama), specifically Georgetown (which he calls Charlestown); and its present-day slide into anarchical dictatorship. He has written non-fictionally about it already but fiction gives him a chance to present the personal as well as the public hopelessness, the inevitable betrayals in an acutely colour-conscious society, the uprootings that politics and social attitudes make necessary.

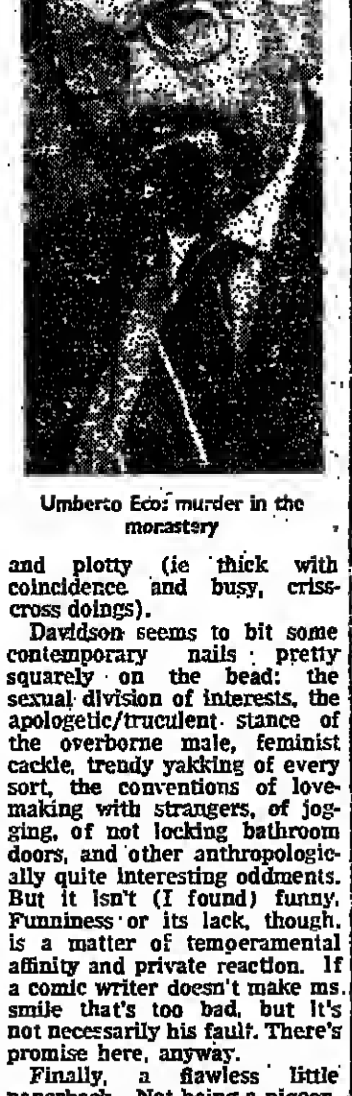
Dina Mallingham belongs to a family which has replaced its Indian name of Mahalingam with the English-sounding Mallingham and through the mother claims vaguely to be Portuguese. Christianity has given her a social leg-up and Dina picks her way through life without background, without cultural or ethnic identity, her whole personality a sham. Her husband Aubrey, though ineffectual, knows where he stands: as descendant of one-time slave-owners, he is now trying to make up for the past, writing letters to The Times about what's happening in his country, running a failed bookshop, and keeping out of trouble only because he has powerful time-serving relatives. A foreign journalist comes to stay, then leaves; he has betrayed his friendship with Aubrey once and will do so again.

Riots, fires, explosions, threats and shortages occur in a heat that crushes most other efforts at activity. Shiva Naipaul is so intelligent a writer that everything he puts his hand to gleams with meaning. He sometimes seems to be the only writer who writes honestly — without patronage but also without hope — about the third world. *A Hot Country* gives a fearful picture not just of individuals but of a whole society, a whole country and its past, a people enormously varied, bitter towards one another, culturally lost.

Of J. M. Coetzee it is hard to write because his work is so mysterious and so powerful. In *Life and Times of Michael K* he writes about a South Africa which is not just unknown to most readers here but set a little ahead in time, therefore unknown to anyone at all, even there; a land of civil war and internment camps, gangs pressed into railway work, patrols, marauding helicopters, passes and permits. Michael K, hare-lipped, seemingly simple-minded, brought up in an institution, friendless, penniless, without the necessary documents for living, spends months growing a secret field of pumpkins (watered at night) before being interned; whereupon he refuses food, escapes, and then is left almost abruptly, dreaming. The quality of Coetzee's writing lies in his inner vision: dark, passionately compassionate, concerned with the nature of man (I think) rather than individual psychology.

Graham Swift's *Waterland* seeks to be powerful and mysterious, but seems neither. A close-knit novel with a strong sense of place—the Fens—and atmosphere, it is complicated rather than complex and somehow over-plotted, with too much happening at once, a sense of crowding and unease. It reads more like a series of short stories than a novel, its episodes being too tightly grouped or densely packed. Really, it's a kind of family saga, but told from various viewpoints, glinting in various atmospheric conditions: the main character, first of his tribe to leave the Fens, son of a lock-keeper and the wife whose family once owned the whole countryside and its waterways, tells of the oddities and madness of his people from the 18th century to the present, when his wife, barren after a gruesome abortion procured by a Fenland crone, steals a baby outside a supermarket in Lewisham. Swift writes excellently at times but lapses into bathos, often at peaks of feeling.

How much harder it is to write a comic novel than a straight one, success or failure in a straight one being relative and discussable, whereas comedy is somehow absolute, right or wrong. *The Wolf*, Max Davidson's first novel, is comedy with some talent. It is vigorous



Umberto Eco: murder in the monastery

and plotty (ie thick with coincidence and busy, criss-cross doings).

Davidson seems to hit some contemporary nails pretty squarely on the head: the sexual division of interests, the apologetic/truculent stance of the overborne male, feminist cackle, trendy yakking of every sort, the conventions of love-making with strangers, of jogging, of not locking bathroom doors, and other anthropologically quite interesting oddments. But it isn't (I found) funny. Funniness or its lack, though, is a matter of temperamental affinity and private reaction. If a comic writer doesn't make me smile that's too bad, but it's not necessarily his fault. There's promise here, anyway.

Finally, a flawless little paperback. Not being a pigeon-fancier I had a sinking feeling at the thought of a whole novel, however short, about a pigeon. A mistake. John Bowen's wit is masterly and in *Squeak* the world of pigeon-loft and South Kensington flat is shown in perfect balance between the human and the avian outlook and sensibility, between the limitations (in relation to each other) of avian and human understanding.

Human fingers may be taken for parental beaks, but pigeon psychology may be as crudely misjudged by humans. The best thing about this neat, amusing tale is the way it shows c o n t e m p o r a r y life obliquely; a pigeon's eye view bizarrely yet recognisably right, with all human activity reduced to pigeon-relevance.

Lights that failed

BY MALCOLM RUTHERFORD

In Breach of Promise
by John Vaizey. Weidenfeld and Nicolson. £9.95. 150 pages

The subtitle of this book is much more interesting than the title: "Gaitskell, Macleod, Titmuss, Crosland, Boyle—Five Men Who Shaped a Generation." John Vaizey, once very much associated with the Labour Party and now a Conservative peer, has had the bright idea of writing essays about five people who, he says, "mostly agreed about most things." But, he adds, all were in a sense failures and not only because they died relatively young. Perhaps, he says in a final flourish, "they needed to approach questions from the right and not from the left." In other words, this is an attack, very much with hindsight, on the social democracy of the 1950s and 1960s.

It is a nice party game to play. Who's in, who's out? Certainly Richard Hoggart has as much of a claim to be there as Richard Titmuss, though the former is still alive. Possibly Reggie Maudling, who is both dead and unfairly forgotten, would have been a more subtle choice than Iain Macleod. There might have been a case, if the rules of selection had been different, for including Roy Jenkins who, after all, helped shape the permissive society.

By and large, however, the candidates are adequate. Macleod and Boyle are still recalled with nostalgia at party conferences, though perhaps less so nowadays by the Tories. The Tories, for their part, tend to look back on Gaitskell as an example of what the Labour Party might have been. Crosland can be dismissed by all sides now because his hopes of greater equality hinged on the assumption of continuing economic growth, but there can be no doubt of his influence at the time.

Still, to write a series of provocative essays like this, it helps to be sure of the ground. There is one peculiar observation about Harold Wilson: he "never let on how clever he was." Such a comment might be better applied to Viscount Whitelaw, who built a whole career on just that. Equally, there is one breathtaking piece of conceit about Macleod, whom the author admits he did not know well. "I can't remember why we met and as *he* (my italics) kept few personal papers I shall never know."

Macleod's role as Colonial Secretary is understated. In fact, he loved Africa and the politicians with whom he had to deal. Also missing is the recognition that one of the main reasons why Macleod refused to serve under Alec Douglas-Home was his intense dislike of the man whom he regarded as the most arrogant he had ever met. The dislike was mutual.

There are flaws in the Gaitskell chapter, too. A glance at the Gaitskell Diary will show that he was one of the first politicians to worry about the consequences of steadily increasing defence expenditure and of the burgeoning Health Service. He is given no credit for this foresight.

Again, it is a nice game to play: what would have happened if Gaitskell had lived? Vaizey is torn, saying at one stage that his death was the greatest single post-war blow the country has suffered, yet criticising him at others for fighting internal party battles. Wilson is praised for keeping the party together. Yet perhaps it would have been better if Labour had split earlier. It is not true, as Vaizey says, that the battles that Gaitskell fought are "long-dead." They have continued on and off ever since.

One of the most fanciful tributes is paid to Boyle: "When he left the stage, the other actors on the Conservative side, were almost bound to learn new parts." I doubt if his influence was anything like as great. The real change in the Conservative Party came after Edward Heath mistakenly called an election in February 1974, and lost.

A final game to play is to imagine a sequel in 10 years' time: who shaped the next generation? Mrs Thatcher, Sir Keith Joseph? It is hard to think of a comparable quintet.

ER II

BY GEORGE MALCOLM THOMSON

Elizabeth R: A Biography
by Elizabeth Longford. Weidenfeld and Nicolson. £10.95. 389 pages

If you were choosing an incumbent for what may well appear to be an almost impossible job, occupancy of the British throne, history would be your guide. It would warn you that it would probably be a mistake to pick an intellectual (James I), a doctrinaire (Charles I), a bigot (James II) or a reformer (Prince Albert). Remembering George IV, you would probably think twice before you gave your vote to an aesthete.

But what would be the qualities you sought? Courage, character and common sense, and, as if that were not enough, you could add a liking for people — and, of course, for animals, especially horses. Does any other criterion come to mind? Yes. If possible, the monarch should be a woman.

On this point, the testimony of history is impressive. Women seem to have a special aptitude for the post. Why? Is it simply that the female psychology is better attuned than the male to the extraordinary tasks that fall to a sovereign? Or is it that people really prefer to give deference to a woman? (And deference is — like it or not — part of the game).

Am I suggesting, then, that a queen starts with a natural advantage? Yes. I am afraid that I am. No doubt this advantage will grow less as the Women's Lib cause prospers. But we have to deal with things as they are.

The British monarchy is, at present, a success story. It is an immensely popular institution and, although popularity is not everything, it is where the success of a reign begins. We are apt to take it for granted: the Queen is well served; everybody wants her to succeed, and so on. But this is surely a little unfair to the lady in question. This has been *her* achievement.

Lady Longford's book exhibits a personality.

The Queen is shrewd; she runs a pretty effective racing-stable, they tell me. She works hard at "the boxes," says Lady Longford. But she is not an intellectual, which is important. No brilliance, please—we're British! The day when the throne is occupied by someone who has 3 A grade A-levels you can look out. You are heading for trouble and, before you can say British Constitution, the totalitarian state is knocking at the door.

Clever old Bagehot got it about right. "A family on the throne is an interesting idea." Royal weddings ("the brilliant edition of a universal fact") royal babies and, in this relaxed age, royal divorces, keep the interest alive.

At the centre of it all is a nice intelligent lady who takes her work seriously; around her are a temperamental sister, a ditto daughter, a clutch of pretty duchesses, a glamorous Princess of Wales—one for the book *that* is!—a son who is reputed to have an eye for the girls. If anybody thinks that last item brings the system into jeopardy, he should without delay have a frank talk with his psychiatrist.

All of them beavering away like mad, opening bazaars, visiting schools, unveiling plaques, going "walk about"—which, by the way, is a constitutional innovation on which one would love to hear Bagehot's verdict. "The monarch should be aloof and solitary," he said. Things have changed since 1867. Has the "mystery" suffered? Lady Longford is not certain.

By a mixture of luck, laziness and political flair, we Brits have stumbled on a comfortable and congenial solution of the basic problem. "A Republic has insinuated itself beneath the folds of a Monarchy." Illogical, but think of a better, please!

The monarchy is, in fact, a glorious windfall, something we hardly deserve, like North Sea oil, only more so.

Its inherent strength cannot be denied—an institution which can survive the first two Georges must have a lot going for it—but that it has its dangers cannot be denied. Which is why I say that, in deference to her, let us not take the personality and performance of the Queen for granted.

Lady Longford, writing her biography at this stage in her reign, is undertaking a task of formidable difficulty. Quite easily it could become a mere scissors-and-paste job. But she has the grace of expression and the human sympathy to give dignity to the book. Her taste is impeccable. Moreover, she realises that this is, after all, not the account of an institution. It is the life of a person.

On one historical fact she dwells with appropriate emphasis. The Queen is something none of her predecessors was. She is the Head of the Commonwealth. What does the title mean? Is there anything in it but an impressive sound? What is certain is that it confers on its bearer an impalpable, indefinable but no less real influence. On her, confidences of state converge and accumulate. She is a repository of political intelligence.

In this respect the Queen is set apart from even the most powerful of her subjects. That she is aware of her novel position and of its opportunities nobody who reads Lady Longford will doubt.

Action men

BY BRIAN AGER

Berlin Game
by Len Deighton. Hutchinson. £8.95. 304 pages

Len Deighton has done it again—produced a chilling but humorous spy story with an intricate plot and convincing dialogue. And he does not have to resort to sickening violence or use any other cheap tricks to keep the reader's interest to the last fullstop.

His non-establishment, anti-Oxbridge hero Bernard Samson in *Berlin Game* is one of Deighton's masterpieces. He has been deskbound for five years but finds himself being edged back into action. He is the only one who is trusted by an agent in East Berlin. London is anxious that this man shall be persuaded to carry on his work for Britain, or he may have to be smuggled out, or there is one other alternative.

It is a dangerous game in a hazardous playground. But it is made far worse because someone in high places in British Intelligence is aiding the KGB. Samson has to work out who he can trust.

Human relationships and failings play a large part in this story of suspense and suspicion.

The Danger
by Dick Francis. Michael Joseph. £7.95. 272 pages

"Liberty Market Ltd is fictional, though similar organisations exist."

Well, if they don't exist they ought to. For the firm in Dick Francis's latest book is dedicated to freeing kidnap victims. They negotiate to reduce the size of the ransom, supervise the freeing of the victim and kid the kidnappers into thinking they are safe while steps are taken to bring them to justice.

There is a horsey background of course, but Dick Francis has moved a long way since he wrote about the racing world. He has a reputation for the deep research which goes into his books and it shows through in this one.

It has a taut plot, plenty of action, plus a deep understanding of the emotions felt by both the kidnap victim and the victim's family.

Mr Francis's novels get better and better.

It's already snowing ski-ing brochures

WINTER SPORTS

ARTHUR SANDLES

OH THAT the snow this winter falls as heavily as the autumn crop of ski boliday brochures. If there is one thing that the British consumer cannot complain about it is choice. Last year around 50 ski brochures came my way. This season, so far, I have details of 95 tour operators.

For most of them it must, of course, be economic madness. The most optimistic figures for Britons taking foreign winter sports packages put the total at about 250,000 people—the rest of the market is schoolchildren, independent travellers and skiers in Scotland. The big five ski tour operators, Thomson, Neilsons and Inghams among them, probably account for 75,000 of the total, leaving an average of just under 2,000 customers for each of the rest. In fact probably 40 or more of that 95 total will carry only a few hundred people to the slopes, and many of the names will bloom this year alone, withering then in the chill winds of economic fact.

There are two basic motivations for getting into the ski business. At one end of the market you have people who see it as a pleasant field to get into. Some of these, such as Bladon Lines, Neilson and even Supertravel, grow and flourish since their enthusiasm is allied to a professional approach to the market. Many others get into skiing on the "let's open a wine bar" principle seeing it as being a nice way to make a living and get free skiing into the bargain.

Most of the skilled ski tour operators I know in fact find that the first thing they have to sacrifice is their skiing, since the winter is spent looking after clients. Only if the snow sticks around until April or May can they get away to ski the slopes they bave been selling.

The other reason for the growth in the number of ski brochures comes as a result of companies which are active in the summer market moving into winter sports. This year Intasun has moved into skiing. Vacances Franco-Britannique is taking a more aggressive stance and Meon Travel appear for the first time, albeit as the new owners of John Morgan.

It would be foolish of any skier not to exploit the position which now offers itself. Already the competition means that prices are being guaranteed by various companies and in some cases, notably Inghams, prices have been cut.

Above all this is the year when skiers should choose first where they want to go, where they want to fly from, and what time of day they wish to make the trip, and then find a tour operator that meets the chosen demands and offers the right price.

In the major resorts there will still be plenty to choose from. According to the Ski Magazine Annual, which thoroughly reviews the tour and equipment market this year, there are 18 tour companies offering packages to Mayrhofen in Austria, 23 to Val d'Isere in France, 20 to Verbier in Switzerland, 14 to Sauze d'Oulx in Italy and even three to Vail, Colorado.

In choosing anyone to handle your holiday the magic initials to look for, as far as security is concerned, are ABTA (member of the Association of British Travel Agents), ATOL (meaning the company has an Air Tour Operator's Licence) and IATA (meaning the company is licensed to sell scheduled airline tickets).

The absence of one of these sets of initials (plus AITO, the Association of Independent Tour Operators) is of no particular consequence—you do not need an ATOL if you are using coaches or scheduled flights. The absence of all of them, however, should set the alarm bells ringing. There may be some respectable operators without benefit of ABTA, AITO and IATA, particularly in the field of self-drive and villa rental, but they do need careful questioning and personal recommendation.

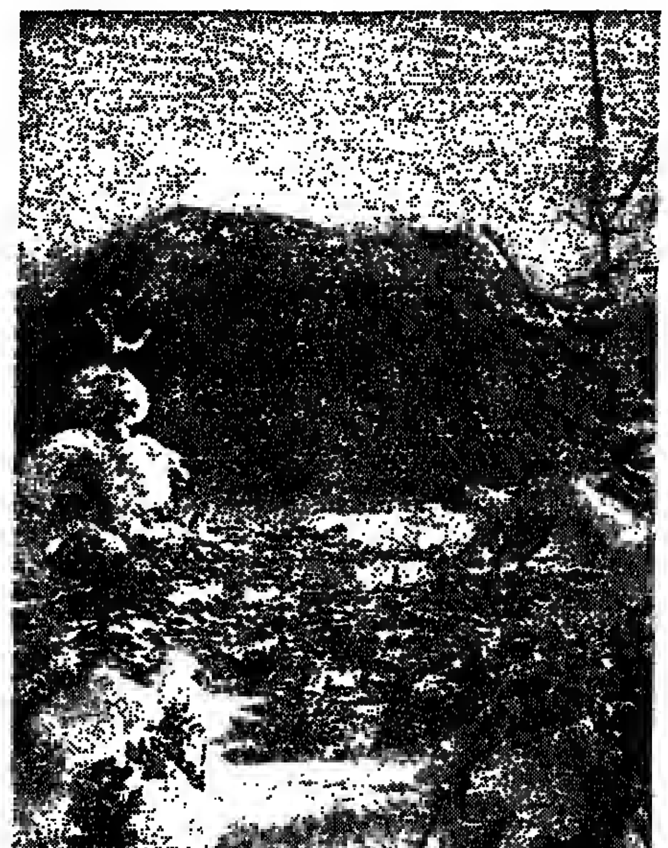
In themselves the initials do not guarantee a company's financial stability, but they do mean that someone looks at the books from time to time and that there is a good chance of getting compensation in case of failure, or of having airline tickets honoured.

Prices this year are remarkably good. The basic two week package in peak season (February) to a middling Austrian resort (half board) will cost around £220-£250 with wide variations either way dictated largely by the quality of hotel. Italy seems to be marginally more expensive. France costs half as much again, but this is unfair since most French accommodation is in apartments at around £170-£225 per person in high season.

A ski holiday in Switzerland might cost around £100 more for two weeks than the equivalent in Austria.

As usual the trickiest equations of the ski year for the British, who cannot just pick up their gear and head for the hills for the weekend, is when to ski and where. This year, with so many holidays on offer, it is worth waiting to see where the weather is before making a final choice. A purely subjective view of the matter is that the snow comes either down from the north west, or up from the south west. Am I foolish in assuming that apart from those rare years when the snow is good everywhere (as it was for many weeks last year) that good snow in the French Alps and western Switzerland is often bad news for the Dolomites and southern Austria?

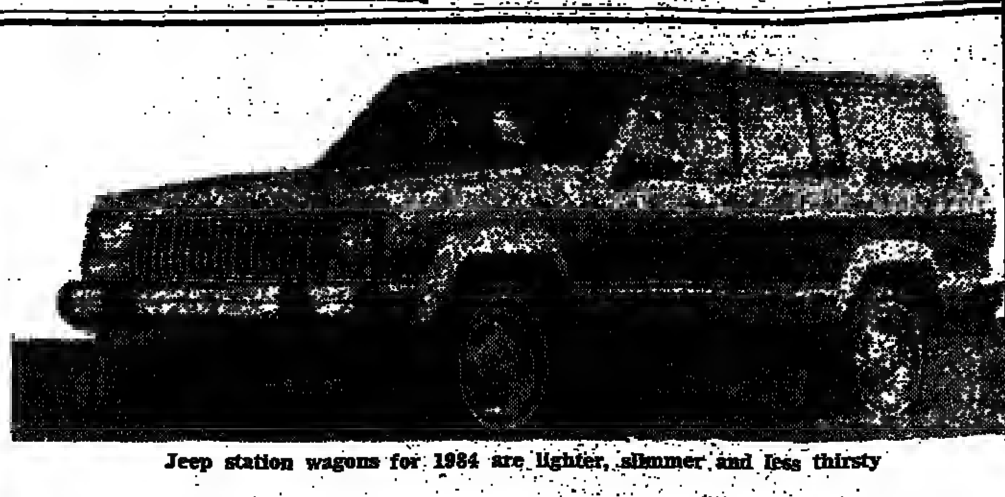
There are some caveats to the wait and see approach. Do not expect to get adjoining rooms for a party of six couples at



Easter if you play the waiting game. Families and other groups are best advised to book ahead, particularly at peak times and when the better hotels are demanded. But if you are fancy free and don't really mind where you ski, then wait and go when the snow reports are favourable.

If you are a family, however, it is well worth considering driving to the resort of your choice. It is much easier than most Britons realise to drive to the ski areas and the ferry companies are now all actively encouraging the ski market. In the winter ferry charges are low, the family has no baggage worries except over the capacity of the car, and the facility of your own car vastly increases your flexibility for skiing a region. Last winter I sampled Austrian bed and breakfasting and was impressed by the high quality and low prices of accommodation. Be sure to buy snow chains, however.

Later this month this column will turn its attention to more specific matters of where to ski and what is new in the fields of ski equipment and clothing. For the moment, however, as the evenings draw in and the home fires are lit, we have reached the time for contemplation of the sport to come with the aid of some at least of those 95 ski brochures.



Jeep station wagons for 1984 are lighter, slimmer and less thirsty

The Jeep grows up

MOTORING

STUART MARSHALL

THE RENAULT 9 and 11 are taut enough to be mistaken for German cars at first encounter but the left-hand drive 11 I drove last week was as soft on the straight and almost as roly-poly on fast bends as any mid-1970s Renault model. It was comfortable, though. Shock absorbent enough to draw the sting of the sunken drains and crumbling concrete of the four-lane highways on which it cruised silently, with 55 mph showing on its 85 mph maximum speedometer.

If you have not guessed already, the 11 was not a French-made Renault but an American one. I was driving it in and around Detroit last week, just before it went on sale to U.S. buyers. The badge on the tailgate said Encore, a neat way of naming a car evolved from the 9 saloon—sorry, sedan—that Renault call the Alliance in the States.

The name accurately describes the relationship between Renault and American Motors Corporation, best known of late for the Jeep. AMC, a U.S. motor industry pioneer, had reached a low ebb as a car maker a few years ago, squeezed between the GM and Ford giants and burgeoning imports. Jeep sales kept them going. Then fuel prices shot up and the large-engined 4x4s lost popularity as macho runabouts for two- or three-car families. They went for pick-up trucks, often Japanese, instead.

Anxious to increase its presence in North America, Renault moved in. An affiliation deal was signed and Renault's 5 ("Le Car") was imported and added to the AMC model range. The first car to be born of the marriage rolled off the assembly line at Kenosha, on Lake Michigan's share, exactly one year ago. It was promptly voted Car of the Year for America by the influential magazine Motor Trend. Sales have been so good that production is now nudging 1,150 cars per day and in the 1984 model year, 200,000 Alliance sedans and Encore hatchbacks will be produced.

The Alliances and Encores I drove had well fitting doors, glossy paint and no squeaks or rattles. Interior trim and detailing would have received the OK tick from a Toyota, Nissan or Honda inspector.

Engines and transmissions are imported from France but everything else is U.S. made. So much power is absorbed by emission controls that the 1.4 litre Alliance or Escort would need a leaden foot on the accelerator to match, say, German driving habits. A larger, 1.7 litre engine is in prospect. It has to be said, though, that suspension of European firmness would have been quite out of place. Americans never have set much store on being able to corner fast. Handling is at the bottom of their priority list; at the top are reliability and comfort.

Most of the cars I drove had automatic transmission, power steering and air conditioning, which are optional extras on the basic manual gearbox vehicle costing £435, £140 and £300 respectively. Curiously, a heated rear window (they call it a defogger) is an £38 extra, not standard equipment as we in Europe now expect. I found the two-pedal, power steered and refrigerated Alliance and Encore agreeable transport, even if not very fast off the mark and short of breath when I ventured a highly illicit ... mph on what I hoped wa[s a] patrol-free stretch of highw[ay]. It was.

Just as the AMC passen[ger] cars have been downsized [and] lightened, the 1984 Jeeps [are] but shadows of their for[mer] corpulent, bibulous selves. [The] new Cherokee and Wagon[eer] are so clean and slim they m[ake] the 20-year-old Wagoneer (s[till] in production for people w[ho] tow big boats and so on) l[ook] a dinosaur.

Engines of the '84 J[eep] wagons are a 2.5 litre fo[ur] cylinder or a bought-in GM [2.8] litre V6. Renault turbo-dies[els] are coming later. Transmiss[ion] is four or five-speed man[ual or] three-speed automatic with silent, chain-driven trans[fer] box. Rear wheel drive w[ith] "shift on the fly" (translat[ed] it means you can go from r[ear] drive to all-wheel drive in h[igh] range without stopping or h[av]ing to lock free-wheeling hu[bs]) is standard. Range Rover t[ype] permanent four-wheel drive [is] optional.

I tried a 2.5 litre autom[atic] Wagoneer Limited—the posh model with a fancy interior a[nd] a photograph of a piece of w[ood] all down the sides—on and [off] the road. It felt rather lik[e a] longer wheelbase Colt Shog[un] with a better ride on the hi[gh]way though apt to bottom ... coil sprung front axle dur[ing] mild off-roading.

AMC say the new Jee[ps] which will eventually come [to] Britain, have all the toughn[ess] of the old wagons—and 90 [per] cent of their interior space without their bulk, weight a[nd] thirst. Could they match Land-Rover or Range Rover [on] really rough terrain? I do[n't] know. But they would lo[ok] handsome at Badminton [or] Hickstead, should cope with [a] two-horse trailer, park effo[rt]lessly and cruise like executi[ve] cars.

First Lady of the City of London

PROFILE

PHILIP RAWSTORNE

FOR ONE who is "trying desperately to get away from the women's lib image," Lady Donaldson's election this week as the first woman Lord Mayor of the City of London is likely to be a bit of a handicap.

Since Henry Fitz Aylwin, the first recorded Mayor, was appointed in 1192 and busied himself raising the ransom for Richard I, more than 600 men have successfully held the office.

Only the post of City Sheriff—dating from the 7th century—was exclusively in male hands for longer. Lady Donaldson liberated that post for her sex two years ago—as she did the Court of Aldermen in 1975 and nine years before that the City's governing body, the Court of Common Council.

The historical peculiarities—some say anachronisms—of the City's government ensure that the job of Lord Mayor is not open to all. Apart from anything else, it is a full-time post for a year in which the out-of-pocket expenses can be as high as £50,000.

Lady Donaldson is not only the first woman to get the post, she is likely to be the only one for many years to come. Though several women sit on the Common Council, none has yet followed her into the 25-strong Court of Aldermen from who the Lord Mayor, after a term as Sheriff, is chosen. If her achievements make it easier in future for other women to be accepted, in the City or elsewhere, on their merits rather than simply excluded because of their sex, Lady Donaldson will be content.

But the fact that she is the first woman to take the office she regards as incidental. "There are, after all, few with the time and interest to commit themselves to the work," she says.

Born in a Hampshire village, 62-year-old Lady Donaldson inherited what today might seem a slightly old-fashioned sense of obligation to public service and good works from her parents. Her mother (interested in people rather than politics) was the first woman member of her local council.

She married Sir John Donaldson—now Master of the Rolls—in 1945. For the next 20 years or so, except for some voluntary work, she devoted herself to her family.

Lady Donaldson became a magistrate in 1960, and a few years later remarked to a colleague on the Bench at Bow Street that, with her children now grown up, she was going to have a lot of time on her hands. "I had never been one for playing bridge and drinking coffee," she says.

She took the advice she was offered, and stood for election to the City's Common Council in 1966 for the ward of Far-

Lady Donaldson: her election as Lord Mayor could prove a bit of a handicap.

ringdon Without, which includes her home in the Temple.

The City's local government she found attractive "because there were no party politics."

Three years as a member of the Inner London Education Authority later confirmed her distaste for the political game. "As far as I am concerned, the politicians can keep it. I cannot believe in party dogma, in party right or wrong."

It was a view that was to be strongly reinforced by her husband's experience on his appointment by the Heath Government as president of the controversial Industrial Relations Court. "It was ludicrous," she says of the personal hostility he encountered. "He was identified with the Government, but in fact at the time he knew more trade union leaders than Cabinet Ministers."

She was determined that her presence on the Common Council would not be a mere token. In the next nine years she served on 11 council committees, became a member of the NE Metropolitan Regional Hospital Board, a governor of hospitals and schools, and active in national cancer campaigns and aid for the disabled.

Guildhall became Lady Donaldson's second home: her small, bird-bright figure, neatly dressed but trailing brief-cases and sheaves of paper, one of the most familiar in its corridors.

Punctilious in serving what she now looks on as her apprenticeship, Lady Donaldson would probably have been more surprised to find further progress blocked than others were to see her break through.

After two years as Sheriff, she will now don the robes for the City's premier historical role as Lord Mayor, yielding precedence to nobody but the Queen inside the Square Mile.

Next month she will meet the Lord Chancellor to secure, as King John decreed, the approval of the Sovereign. She will take over the office—with its ancient trappings of Pearl Sword, Crystal Sceptre and Great Mace—in November at the Guildhall's traditional Silent Ceremony. Her year begins with the Lord Mayor's Show when she rides in the gilded State Coach, amid pageantry, to the Law Courts to swear before the Judges of the Queen's Bench faithfully to perform her mayoral duties.

Those duties, ceremonial and practical, will leave few free hours during the coming year.

The burden of office today lies not in presiding over meetings of the City Corporation or in laying down the law as the City's chief magistrate, but as the City's most influential host—at Guildhall and her Palladian residence, Mansion House—and as its ambassador abroad.

If one of her predecessor's engagement diary is any guide, she is likely to make at least two speeches a day as she proceeds this year through a dozen banquets, some 80 receptions, 120 lunches, and 150 dinners.

"Seeking always," as the City's brief for the job insists, "to dignify citizenship and to advance the welfare and status of the City."

Getting your mixed borders right

GARDENING

ARTHUR HELLYER

TODAY everyone plants mixed borders rather than borders devoted to one class of plant. Shrubs and roses are used for the permanent framework, herbaceous perennials for the medium-term infilling and both annuals and half-hardy bedding plants to keep the display going as continuously as possible.

It works well, is capable of almost infinite variation and need not be labour intensive.

But there is one difficulty that is seldom mentioned. Shrubs have a habit of getting bigger and bigger.

Even the dwarf kinds tend to spread outwards with age so gradually overrunning their neighbours. Some can be kept in check by pruning but this may entail distortion of natural shape and loss of beauty.

Last July, while admiring some particularly well planned mixed borders which were in their second year and then at the height of their beauty I found myself wondering what the owners would do with them in subsequent years.

For some plants the answer was obvious. Quite a lot of background colour came from that fine sub-shrubby mallow *Lavatera olbia rosea*.

It is fast growing, flowers freely for most of the summer but it soon exhausts itself and so needs to be renewed every few years.

There were also buddleias which thrive on hard pruning each March and this will not only keep bushes at approximately the same size for many years but will also improve the quality of their flowers.

The same applies to *Hydrangea paniculata* in all its forms early mid-season and late flowering.

Previous year's growth can be shortened to a few inches every spring and that is even more drastic than the pruning one would commonly give to most roses.

But no such answer is possible with many of the fine varieties of *H. macrophylla* and *H. serrata* and so it is only the naturally small varieties, such as Westfalen, Rosealba, Miranda, Diadem, koreana and chinensis, that are really easy to manage in a mixed border.

In this same border I was admiring were several bushes of the purple-leaved variety of *Berberis thunbergii* and also the pink and purple-leaved Rose Glow. Neither was as yet anything like full size and I wonder whether the intention was to keep them at about this size by pruning, by no means impossible but involving quite a lot of work, or whether they would be allowed to take over more space at the expense of other plants.

Maybe the owners had not yet faced up to this question and observation suggests that in most mixed borders the shrubs are allowed gradually to become dominant.

Similar problems are emerging at the moment in some of my mixed borders planted three or four years ago and I do not think that pruning is going to supply all the answers. Some of the shrubs will have to go, either to leave more elbow room for others or to make way for kinds that will be less demanding.

There is no problem with *Cornus alba spaethii* which supplies one of the finest splashes of golden foliage all summer for this thrives on hard pruning in March and this not only keeps it within bounds but also increases the size and effectiveness of the leaves.

But I think that Spiraea Goldflame may have to go for it is not so amenable to hard pruning and an added fault is that its old-gold leaf colour, so attractive in May and June, then turns to a very ordinary green for the rest of the summer.

I am also coming to the conclusion that the more vigorous shrub roses are best planted on their own or with other big shrubs, not in partnership with herbaceous plants.

They grow too fast, are too painful to prune and they tend to overlie everything else. Far better use the bedding roses, despite their rather uninteresting habit, because they thrive on hard pruning which in general the shrub roses do not.

I have Penelope, a true shrub, and Matangi, a cluster flowered bedding rose, growing side by side and it is Penelope, much as I love it, that must be found a more suitable home.

Yellow Arthur Bell, pink Pernille Poulsen and white Iceberg are other fine bedding roses that present no problems in mixed planting.

Fuchsias are also first rate for not only can they be pruned just as much as one likes each March but, in most winters, nature does the work for one leaving only dead stems to be cleared away in early spring. Of course one must be careful to plant only truly hardy varieties that will sprout up again from the roots that have suffered no frost damage.

There are plenty of these to choose from, including Margaret, usually the first to start flowering and the last to finish, Mrs Popple which is always reliable, Brilliant which has exceptionally large red and purple flows for a hardy fuchsia, and *Fuchsia gracilis*, so well named for both its slender stems and flowers.

It has two excellent variegated varieties, one named Versicolor which is a subtle blend of grey-green, pink and cream, the other Variegata a more conventional green with cream edge.

I use hypericums in mixed borders and find them quite easy to control. Hidcote is the best for flower because it continues to bloom for such a long time and it also has the merit of being semi-evergreen, fully so in a mild winter.

But my favourite of the lot is *H. inodorum Elstead*, never a large shrub, easily controlled and with small yellow flowers followed by abundant crops of shining egg-shaped seed capsules that start yellow and ripen to cherry red.

Its only fault is a susceptibility to rust disease, but it is possible to control this by occasional spraying with Benlate in spring and summer.

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هكذا من الأجمل

Antony Thorncroft and Michael Coveney report on a new mood in the West End theatre

Lighting up time again in London

ıe West End theatre is ently in a jaunty mood. ' week the Society of West , Theatres (SWET) held a ıpagne reception to hunce that attendances dur- the summer were over 5 cent higher than in 1982, ks in the main to an ease in Americao tourists, ı.o overseas by the stroog ır.

ıis week the holding com- Gomba, run by Mr Abdul nji, a Ugandan exile, rted that it was paying ,000 for the lease of the maid Theatre to add to its ınt acquisition of the Garrick the Duchess. After years which most London theatres ıned to be on the market re is now only one, the deville, actively seeking a er. And while six theatres currently "dark" there are ıs for new productions in of them.

ıut in the theatre there is. haps appropriately, a narrow between pretence and ity, success and failure, ıt riches and sudden loss. hough plays which might e been expected to die ıkly have survived the ımer it is unlikely that ıy of them are making worth- le profits. In the curreot nate there is a scarcity of ys and theatre owners are a weak position. They will a play run in their theatre n though it is making a loss, the return is below budget, cause of the dire alter- ive of a "dark" theatre and le chance of a new productioo take its place.

A look into the balance sheet a West End play reveals the blems and explains why a duction can run for a year more and still make little no profit. By any standard other Country which closes the Queens on October 15, been a great success. A ughtful drama set io an glish public school in the ıs it has won awards. ated stars from among its known cast of young actors, being made into a film, and a provincial tour scheduled February.

By the end of its 20-month n Another Country's 25 gels will have received a 150 r cent return on their invest- ent of between £1,000 and ,000 each. But for Julian Sey- our of Robert Fox Produc- ons, who set up the play, this not enough. "You need a hit ay to make five times your oney to balance your losses." hile Another Country has en running Robert Fox Pro- ctions, and mainly the same gels, lost £60,000 on another nture, *Crystol Clear*.

Another Country cost a odest £60,000 to mount. Its weekly running costs have varied between £11,000 and £23,000 depending on how much was paid in theatre rental—15 per cent of the gross box office takings, and in royalties to the author, director, etc. On a typical week last mooth the costs totalled £11,992 of which the largest items were £2,607 for the staff of the Queens Theatre; £2,150 to the eleven actors; and £1,446 in rental. The box office takings were £13,142 leaving a profit of £1,150. There have been several weeks when it made a loss.

Robert Fox Productions takes a small management fee, 1 per cent of gross box office receipts, and 40 per cent of any profits. Like most producers of straight plays it makes no direct financial investment. The final profit on *Another Country* will work out at around £90,000 to be shared between the Angels and the production company. But Robert Fox Productions retains the rights for future exploitation of the play. As Seymour says "if you can get one or two creative ideas every five years which are big hits then everything is fine. The old saying about the theatre is very true—you can't make a living but you can make a fortune." *Another Country* will be a sound investment rather than the elusive goldmine which is sought with little success, from among the 15 to 20 scripts that the company receives each week.

But there are signs of fresh thinking about the theatre. Actors are starting to assert themselves against the financial controls of theatreowners and producers. Maria Aitken, the actress, is producing *Happy Families* currently at the Duke of Yorks; Penelope Keith is investing in her box office appeal by helping to finance *Hay Fever* at the Queens; and a group of controls of theatre owners and 21 leading actors, including Tom Courtenay, Richard Briers, Tom Conti and Dooald Sinden, have invested up to £10,000 each in Ray Conney's Theatre of Comedy.

Conney, who produced a £600,000 profit from *Whose Life is it Anyway?* launched the Theatre of Comedy earlier this year with a capitalisation of £300,000. Its first investment, *Run For Your Wife*, starring Briers and Bernard Cribbens, was such a success at the Shaftsbury that the Theatre of Comedy is buying the theatre for £750,000. Owning the theatre will considerably reduce the running costs.

Ray Cooney: nurturing new writers

At the momeot *Run For Your Wife* is taking on average £32,000 a week at the box office. Its operating costs average £26,000, of which £4,000 goes in rent—a flat sum in this deal. When the Theatre of Comedy acquires the Shaftesbury at the eod of the years it saves this sum (although loan charges oo the £500,000 borrowed to buy the theatre will cut the saviog to £1,000 a week).

The Theatre of Comedy is also unusual in paying all those working at the theatre, from stars to programme sellers, 20 per ceot of any weekly profit as a boous, related to their salary. With the stars, currently Eric Sykes aod Terry Scott, earning up to £2,000 a week, the bonus can be considerable and should inspire good performances.

Run For Your Wife has already produced a return of £140,000 which has covered its set-up costs of £75,000 aod also the refurbishment of the Shafesbury. Inspired by its success, Cooney is this weekend launching the Little Theatre of Comedy. He has taken a five-year lease on the tiny Ambassadors and will preseot, for short seasons, small-scale productions, starting with an off-Broadway comedy *Sister Mary Ignatius*. "We can't make a profit from the Ambassadors but I hope it will nurture oew writers," says Cooney. Like Seymour he is looking for a hit which can then be transferred to a bigger theatre and a wider market.

Other new forces in theatre ownership are Andrew Lloyd Webber, who is investing some of his vast profits from *Cats* into the Palace, and Mr Shamji. "According to our calculations I am very optimistic about the prospects for our theatres. I think our approach is different," be says. He is giving away little of his ideas, although the Mermaid will be used during the day for conferences, and the other theatres promoted internationally as leisure packages linked to his British hotel interests.

The other factor producing change is SWET. Slowly but surely SWET is waking up to the necessity of making theatre-going easier for the public. There are now 10 computerised box offices. The student stand-by ticket is to be made available to sixth-form schoolchildren. And with 21 theatres "dark" on and off Broadway last week, the initiative seems to have returned to London.

Bob Fosse's *Dancin'* follows *The Pirates of Penzance* into the flagship venue of Drury Lane on November 14.

Several shows have been more or less sold out throughout the summer — Michael Frayn's *Noises Off* at the Savoy, *Daisy Pulls It Off* at the Globe, Lloyd Webber's *Evita*, and *Song and Dance* at the Prince Edward and Palace. Tourists continue to flock to the National and the Barbican. And tickets for *Cats* are changing hands on the black market for anything between £50 and £80.

The top price ticket in London is for *Cats*, £14.50. For National Theatre musicals, *Guys and Dolls* and the upcoming *Jean Seberg*, top price is £12.50. Front stalls at *Noises Off*, still the funniest play in London, cost £8.50, which is about the norm. The booking agency Keith Prowse does not always take a fee these days and, for party bookings of 15 or more, it should be noted that the Group Sales Box Office, which boasts of never being unobtainable on (01) 930 6123, guarantees good seats for most West End shows with discounts of up to £3 on each ticket.

The London Tourist Board remains critical of SWET's image with the public, and any impartial visitor is familiar with the grounds for complaint. The customer meets the theatre at the box office, which is frequently manned by surly and unco-operative personnel. Bar prices and service are a minor scandal, as are toilet facilities and the standard of programmes. These irritants arise because producers and theatre owners rarely work hand in hand. Audiences are still made to feel like intruders in too many theatres. A visit to a London theatre normally involves the customer in an overall investment of about £30. It is not enough for SWET to say — as they do — that bar and programme sales remain healthy. The customer, at those prices, deserves to be treated with more than cynical contempt.

The National and the Barbican, especially the latter, are intimidating, enervating fortresses to penetrate. But at least you can take a drink, visit the loo, and eat a meal in comparative comfort. While improvement in these areas is obviously difficult given the Victorian and Edwardian fabric of most houses in the commercial sector, one feels that SWET should offer a few brave gestures instead of luxuriating, for the moment, in a mood of optimism that is due more to the weakness of the pound sterling against the American dollar than to any great effort on its part.

The London theatre is promoting itself a little more urgently through the application of marketing techniques and occasionally inventive advertising but, in this respect, we still lag a long way behind New York. The National and the Royal Shakespeare Company have the advantage of a committed audience and large advertising budgets. For the West End's recovery to be permanent, a damaging air of grumbling complacency must be totally expelled from its dealings with the theatre world and public alike.

In the meantime, we can look forward to the re-opening of the Old Vic on November 2 with Tim Rice's new musical *Blondel*; to Penelope Keith at the Queen's in Noël Coward's *Hay Fever* on October 25; to Colin Blakely, Paul Eddington, Liza Goddard and Stephen Moore in new plays this month at the Albery and the Aldwych; to the revival in late November at the Adelphi of the RSC's wonderful opium war pantomime *Poppy* by Peter Nichols and Monty Norman; and, if you like, to *Snow White and the Seven Dwarfs* live on stage at the Phoenix for Christmas.

At least the newly elected Presideot of SWET, Mr Bob Swash, can be forgiven his blandly accurate claim that "no other city offers such a wide choice." Lots on the à la carte, you might add, but where's the *specialité de la maison*, the soup du jour?

As she is spoke

We mustn't ignore the new BBC Pronouncing Dictionary of British Names, when we're all so instantly contemptuous of any unhappy broadcaster who calls Happisburgh "Happhburgh" or pronounces de la Pasture as "de la Pasture." Any educated person knows that they are Hazeburgh and de Lappacher, and we can all play at being educated with this authority, edited, and transcribed into both an English spelling and the International Phonetic Association's system, by G. E. Pointon, Head of the BBC's Pronunciation Unit: publishers, the Oxford University Press at £6.95. I sought in vain an authority for "lawrenforcement" and "Indiaroffice," both of which I heard from BBC speakers on the same day; but I suppose they're the responsibility of Robert Burchfield and the BBC's The Spoken Word.

Naturally, British Names include Welsh and Scots names. What we want now is a pamphlet, preferably loose-leaf, giving authoritative pronunciations for foreign names in the news. Who could cope, at a glance, with Souk el-Gharb or Ramogi Acbeing Oneko? In his Tuesday afternoon talk on Radio 4 about the Dalai Lama, *Return of the God King*, Philip Short avoided saying Nyenchentangiha and gave himself nothing harder than Lhasa and Takla Makan.

It may not seem important to us whether or not the Dalai Lama returns to Tibet, but "faraway countries" have affected our destinies before now. Tibet covers half a million square miles, with a population of 1½m. We thought it right to chase an invader from the 5,000 square miles of the Falklands, with their 1,800 inhabitants. The Chinese invaded Tibet in 1950 and treated the people disgracefully in their determination to crush the national way of life. They haven't crushed it, and the people want their ruler back. In this programme the Dalai Lama said that the Chinese were "eager" for his return, and he was "keen" (his exile in India has given him an attractively colloquial English). It seems that Tibet was never quite Shangri-La; many peasants were virtually serfs of the monasteries. But if the Tibetans want their old ways back, that's their business. They needn't torpedo a Chinese cruiser, just appeal to world sympathy. They might reduce their infant mortality figures from the current 20 per cent.

It's not often that the radio ventures among the newer American dramatists. David Rabe, David Mamet, Sam Shepard, where are they? There's not much call for radio drama in America, apart from the soap operas, but there are riches on the stage. Lanford Williams's one-act piece Brontosaurus was given last year in Hammersmith, and I was glad to see it scheduled on Radio 3 last Sunday.

It's virtually a 50-minute soliloquy for a middle-aged, comfortably-off American lady antique-dealer, with a couple of other characters popping in briefly to make their points. Craving company, this lady has invited a young student nephew to come and stay in her apartment while be studies at New York university.

RADIO

B. A. YOUNG

He is reading theology, and after a little experience of his hostess's hospitality, decides to find a room of his own; but before be goes, he describes the sensation of having, as he says, "the hand of God reach out and touch me." He spread all over the world; he saw, indeed he *was*, people, even plants from the ends of the earth. Heaven, he maintains, is here. And these things that you think a part of heaven, she asks him—do they include yellow fever bacilli? "May I go?" he asks simply. "I intended to be with friends of mine."

I didn't even know he had friends, his aunt says to her assistant in the store. We leave her, standing on the corner of 3rd Avenue and 60th, thinking about a place in the country where she can expand what she recognises as vanity but has grown up to live with. It's genuinely poetic stuff, an apologia for those who prefer to live an ordered life. Margaret Robertson played the antique-dealer in a self-confident baritone. The director was Ian Cotterell.

At the other end of the artistic scale, *Son of Cliché* invites us on Radio 4 on Tuesdays, and again on Wednesdays in case we haven't laughed enough. Rob Grant and Doug Naylor write this simple string of simple jokes, and the studio audience laughs even when we don't get the jokes over the air. *Week ending* has nine writers ("and others"), and perhaps *Son of Cliché* should try this.

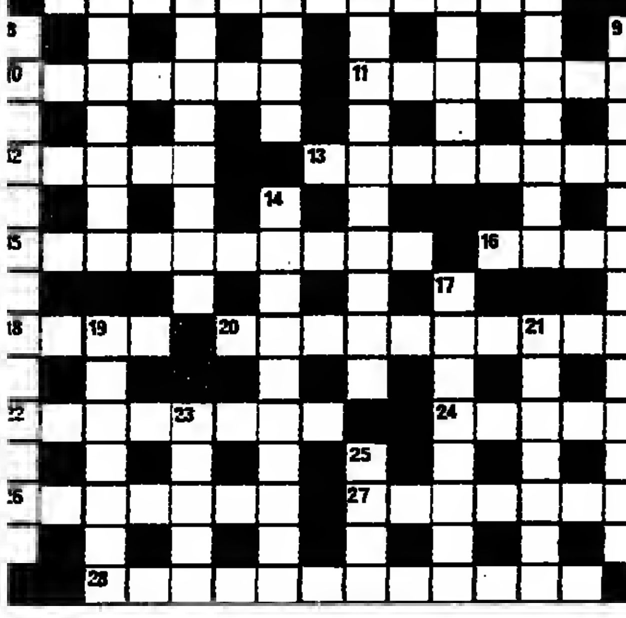
F.T. CROSSWORD PUZZLE No. 5,231

A prize of £10 will be given to each of the senders of the first ree correct solutions opened. Solutions must be received by xt Thursday, marked Crossword in the top left-hand corner of e envelope, and addressed to the Financial Times, 10 Cannon reet, London EC4P 4BY. Winners and solution will be given xt Saturday.

ame ....

ddress ....

....



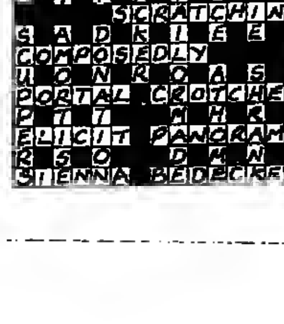
ACROSS

Light as usual? (8, 4)
Everyone was in the red, having permission (7)
Boot for clergyman without love turning pinus (7)
Propagandist's area? (5)
White bird on pole—time to waterwaul? (5, 3)
Having too many hands makes veodor mean (10)
18 An afterthought in technique that gets taken aback (8)
Train a worker for the stage, perhaps (5-5)
Model confuses Peel with Marx (8)
First-burn shrub? (5)
Peer under it? Not so much as a kind heart (7)
Illegally positioned away from the kerb (7)
Ye only EEC tax giving help to welders (3-9)

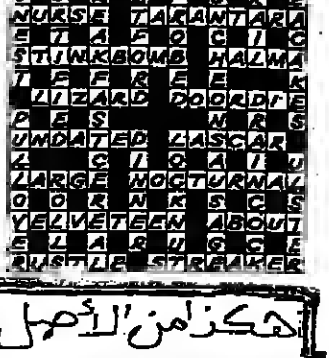
DOWN

Cultivation ceasing when one gets old? (7)
We sit awkwardly among strange men at 9 o'clock, perhaps (4, 4)
Assistant with the wrong dea (4)
5 Write study, in December and start of year, on the Falklands? (10)
6 Shaft to propel on a river (5)
7 Bridge is a card game (7)
8 Not the whole oration? (5, 2, 6)
9 Bristol fashion, or red turning up under bed? (5-3, 5)
14 Classical? (10)
17 Chester, for example—keeping oneself going? (8)
19 Valediction for most of the foregoing and 10? (7)
21 Local variation of rod and line (3, 4)
23, 25 After a Hill start it has risen steeply (5, 4)

Solution to Puzzle No. 5,230



Solution and winners of Puzzle No. 5,225



Miss M. J. Hudson, 47 The Meadows, Walberton, Arundel, West Sussex.

Mr W. D. Holden, 11 Croft Road, Great Longstone, Bakewell, Derbyshire.

Mr K. E. Morrice, "Blairytaao," Foveran, Ellon, Aberdeeshire.

BBC 1

+ Black and white programmes

6.25 am-8.55 Opeo University.
9.00 Saturday Superstore (oew series).
12.12 pm Weather.
12.15 Grandstand. Including 12.45 News; Football Focus (12.20); International Boxing from Wembley (12.50); Racing from Chepstow (1.20, 1.55, 2.25); Rugby League Focus (1.40); Racing Focus (2.10); International Motor Racing from Brands Hatch (2.40); Rugby League: The Burtoo Wood Brewery Lancashire Cup (3.55); 4.35 Final Score.
5.10 The Dukes of Hazzard.
6.00 News, Weather. 6.10 Sport (and regional).
6.15 The Noel Edmonds Late Late Breakfast Show.
7.00 Blankety Blank.
7.35 Juliet Bravo.
8.25 Three of a Kind starring Lenny Henry, Tracey Ullman and David Copperfield.
8.55 News and Sport; Weather.
9.10 Remington Steele.
10.00 Match of the Day.
10.50 Saturday late film: "Trinity is Still My Name" (1971) starring Terence Hill, Bud Spencer.
12.45-12.50 am Weather.

BBC 2

7.40 am Open University.
+3.25 pm Saturday Cinema Double Bill: "Yangtse Incident" (1957) starring Richard Todd.
+5.15 "Pink String and Sealing Wax" (1945) starring Googie Withers.
6.40 The Sky at Night.
7.00 Grand Slam.
7.25 News and Sport; Weather.
7.40 Fly on the Wall, 1974 documentary.
8.10 Opera Night: Ernani, Verdi's opera on BBC2 Radio 3, with Muti, Domingo, Freni, Bruson, from La Scala, Milan, 9.40-9.43 interval.
10.35 Tony Sings and Buddy Swings. Tony Bennett and Buddy Rich.
11.20 News; Weather.
11.25-11.55 The Twilight Zone, Classic American series.

LONDON

9.25 am LWT Information.
9.30 Sesame Street.
10.30 The Saturday Show.
12.15 pm World of Sport. 12.20 Gymnastics, British National Championships, from Wembley; 12.45 News; 12.50 On the Ball; 1.20 the ITV Six from Newmarket and Haydock (1.30, 1.45, 2.00, 2.20, 2.35, 3.00); 3.10 Snooker, the Jameson International Open; 3.45 Half-time Soccer; 4.00 Snooker from Newcastle; 4.45 Results.
5.00 News.
5.05 The Krankies Klub.
5.35 The Fall Guy.
6.30 Game for a Laugh.
7.30 Punchlines.
8.00 Hart to Hart.
9.00 News and Sport.
9.15 Adult Movie: The Mean Machine (1974 film) starring Burt Reynolds.
11.30 Professional Snooker—The Jameson International Open.
12.30 am Clive James on Television.
1.00 London News Headlines, followed by The Boomtown Rats and Night Thoughts with Fr Michael Hollings.

CHANNEL 4

2.00 pm A Kind of Living (2).
+2.25 "Woman of the Year" (1941 film), Spencer Tracy and Katherine Hepburn's first film together.
4.35 The Chicago Teddy Bears.
5.05 Brookside.
6.00 Video Video with Adam Faith and Desmond Morris.
6.30 Flashback (2): At the Front 1914-16.
7.00 A Working Faith (9) Politics.
7.30 The Red and the Blue Impressions of Two Political Conferences — Autumn 1982.
9.00 The Avengers: Murdersville.
10.00 Fox (1).
11.00 For 4 Tonight. Chat show with Tony Royale and Avril Petrie.
+11.30 "Without Love" (1945 film) weekend's second Spencer Tracy, Katherine Hepburn movie, with Lucille Ball, Gloria Grahame.

S4C (WALES)

2.00 pm A Week in Politics. 2.40 Clarel and Chips. 3.35 The Belongers. 4.05 In Search of Paradise. 4.30 Making the Most of. 5.00 Yr Awr Fawr. 6.00 Suparted. 6.10 The Incredible Hulk. 7.00 Newyddion. 7.15 Gair O Wlad Y Sais. 7.45 Gwen Tomos. 8.35 Ladybirds. 9.20 Y Mess Chares. 10.10 Charterhouse of Parma. 11.05 An Evening with Quentin Crisp.

REGIONS

IBA Regions as London except at the following times:—

ANGLIA

8.35 am Falcon Island. 10.05 Vicky the Viking. 5.35 pm Chips.

BORDER

9.25 am Cartoon Time. 9.40 Tarzan. 5.35 pm Chips. 9.00 News and Border Weather.

CENTRAL

8.25 am The Wonderful World of Professor Kitzel. 9.30 The Dollar Bottom. 10.05 Vicky the Viking. 5.35 pm Chips.

CHANNEL

9.25 am Saturday Space—Stingray. Space 1999, Puffin's Space. 5.00 pm News and Channel Islands Weather. 5.05 Puffin's Pla(t)ce. 5.40 The Fall Guy. 9.00 News and Sport followed by Channel Islands Weather.

GRAMPIAN

8.35 am The Smurfs. 10.05 The Adventures of Gulliver. 5.35 pm Chips. 9.00 News and Area Weather Forecast. 9.15 Feature Film: "The Mean Machine" starring Burt Reynolds, Eddie Albert and Ed Lauter. 12.15 am Reflections with John McLeod of Drumnadrochit and Scottish County Cricket Results.

GRANADA

9.35 am At Home in Rock Pools. 9.40 Falcon Island. 5.35 pm Chips. 12.25 am Hawaii Five-O.

HTV

9.30 am Sesame Street. 12.13 pm HTV News. 5.00 News and HTV News. 5.35 Chips. 12.30 am Weather.

TSW

9.25 am Dick Tracy. 9.30 Freeze Frame. 10.28 Gus Honeybun's Magic Birthdays. 10.30 Metal Mickey. 11.00 Little House On The Prairie. 11.45 The Pruitts of Southampton. 12.18 pm Regional News. 5.05 Newsport. 6.10 The Krankies Klub. 12.30 am Postscript with Rev Ian Watson. 12.35 South West Weather and Shipping.

TVS

9.25 am Wattoo Wattoo. 9.35 The Smurfs. 10.00 3-2-1 Contact. 12.12 pm TVS Weather. 5.35 Knight Rider. 12.30 am Company.

TYNE TEES

9.25 am Morning Glory. 9.30 Gurhe Your Orsems. 10.00 TT Time. 10.05 The Adventures of Gulliver. 12.13 pm North East News. 5.35 Chips. 12.30 am Rock Around Midnight. 1.00 Poet's Corner: Windsor Davies reads.

ULSTER

8.25 Space 1999. 10.20 Cartoon Time. 5.08 pm Ulster News. 5.40 Chips. 9.14 Ulster Weather.

YORKSHIRE

9.25 am Melotoons. 9.40 Little House on the Prairie. 5.35 pm Magnum.

RADIO 1

(S) Stereo broadcast

6.00 am Mark Page. 8.00 Tony Blackburn's Saturday Show. 10.00 Dave Lee Travis. 1.00 pm Rock Lists Show (S). 2.00 Paul Gambaccini (S). 4.00 Saturday Live (S). 6.30 In Concert (S). 7.30 Janice Long. 10.00-12.00 Gary Davies.

RADIO 2

8.00 am Tony Brandon (S). 7.30 David Jacobs (S). 9.30 Sounds Of The 60s (S). 10.30 Album Time (S). 11.30 The Kenny Everett Show (S). 1.00 pm Punch Line. 1.30 Sport On 2: Racing from Newmarket; Tennis: The Davis Cup; Rugby League; Football. 5.00 Sports Report. 5.45 Racing Results. 5.50 Football results. 6.00 Country Greats in Concert. 7.00 Three in a Row Quiz. 7.30 Gala Concert (S). 8.30 Big Band Special (S). 10.00 Saturday Rendezvous (S) The Metropole Orchestra. 11.02 Sports Desk. 11.10 Pete Murray's Late Show (S). 2.00 am-5.00 Bill Rennells (S).

RADIO 3

7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). Grieg, Reger arr. Schoenberg and Kolisch. 11.15 Edinburgh International Festival 1983 (S): Bach, Corelli, Mozart, Szollosy, Mendelssohn. (Interval 12.05-12.10). 1.00 pm News. 1.05 Brahms Song Duets (S). 2.00 Sir Adrian Boult (S): Records of Vaughan Williams, Elgar, Strauss and Havergal Brian's Gothic Symphony (mono). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 8.35 Lutoslawski's New Symphony (S). Chicago Symphony Orchestra concert including Lutoslawski's Symphony No 3. 8.10 Ernani (S) simultaneous with BBC 2. 10.35 Another World (S). The Hong Kong Jing Ying Ensemble with traditional Chinese music. 11.15-11.18 News.

RADIO 4

7.00 am News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 In Perspective. 7.50 It's a Bargain. 7.55 Weather; Travel; Programmes. 8.00 News. 8.10 Today's Papers. 8.15 Sport on 4. 8.48 Breakaway. 8.57 Weather; Travel. 9.00 News. 9.50 News Stand. 10.05 Talking Politics, Gerald Kaufman. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent. 12.00 News; Money Box. 12.27 pm Just a Minute (S.) 12.55 Weather; Programmes. 1.00 News. 1.10 Any Questions? 1.55 Shipping. 2.00 News. 2.05 Thirty-minute Theatre (S) Miss Scott, Mr Pughs and the Dandelion Clock. 2.35 Medicine Now. 3.05 Wildlife. 3.30 Worlds of Faith. 4.00 News; International Assignment. 4.30 Oooh He Tuke Sugar? 5.00 Landscapes of the Night: Dreams. 5.25 Week Ending (S). 5.50 Shipping. 5.55 Weather; Travel. 6.00 News; Sports Round-up 6.25 Desert Island Discs (S) Rosemary Sutcliffe. 7.05 Stop The Week (S). 7.45 Baker's Dozen (S). 8.30 Saturday-Night Theatre (S) Murder for Pleasure: Coffin Scarcely Used. 9.58 Weather. 10.00 News. 10.15 As I Roved Out. 11.00 Lighten Our Darkness. 11.15 Hot Air, countryside programme. 11.45 The Anatomy of a Retirement. 12.00 News. 12.10 am Weather. 12.15 Shipping.

BBC RADIO LONDON

7.32 am Good Fishing. 8.04 London Today. 9.03 It Seems Like Only Yesterday. 9.30 Quartet. 10.02 All That Jazz. 11.30 Robbie Vincent's Saturday Show. 2.02 pm Breakthrough. 3.30 The Great Composers. 5.00 Guideline. 6.30 Evening Star. 7.30 Hold The Front Page. 8.00 Radio Replies. 8.30 Good Fishing. 9.00 As Radio 1. 12.00-5.00 am As Radio 2.

CAPITAL RADIO

7.00 am Dave Cash. 10.00 Pick of the Pops Take Two with Alan Freeman. 12.00 Mike Allen's Music Centre. 2.00 pm Duncan Johnson's Afternoon Delight. 5.00 Gary Crowley's Magic Box. 7.00 The Greg Edwards Soul Show. 8.00 Roots Rockers with David Rodigan. 11.00 Foreign Affair with Charlie Gillett. 12.00 Midnight Special —Phil Allen.

CHESS SOLUTIONS

Solution to Position No 484

1 P-N6 ch, KxP; 2 R-B2 (threat 3 R-R2 ch and 4 P-N7), RxP; 3 R-R2 ch, K-N4; 4 R-N2 ch wins the rook and the game.

Solution to Problem No 484

1 K-N6, KxP; 2 K-B5 ch, K-B4; 3 K-N4 ch, K-Q5; 4 K-R5 ch, N-B5 mate.

THEATRES

ALBERY. S 836 3878. CC 379 6565/930 9232. Grp bkgs 836 3962/930 6123. LAST THREE WEEKS. MUST END OCT 15. Evgs 8.0, Thur mat 3.0, Sat 4.30 & 8.15. JEAN ST. CLAIR, PETER CAFFREY, CHILDREN OF A LESSER GOD. Over 800 PERFORMANCES. PLAY OF THE YEAR SWET 1981. Pre-show dinner Tourment d'Amour/Stalls £12.90.

ALBERY. S. 01-836 3878. CC 379 6565/930 9232. Grp bkgs 01-836 3962/930 6123. PAUL EDDINGTON, COLIN BLAKELY, GEORGINA HALE, JANE CARR in LOVERS DANCING, a new comedy by CHARLES DYER. Reduced price previews from Oct. 18. Opens Oct 27.

ALDWYCH. S. CC. 01-836 6404. 379 6233. Credit cards only 01-836 0641. HALF PRICE PREVIEW (£1.50-£4.50). STEPHEN MOORE, LIZA GODDARD, PETER BLYTHE, GLYN OWEN in THE HARD SHOULDER. A new comedy by Stephen Fagan. Tonight 8.30. First Night Monday. 7.0. Sub Evgs 8.0. Mats Wed 2.30. Sats 5.30 & 8.30.

APOLLO VICTORIA. HOTLINES 01-828 8665. 01-834 0283. 01-834 6177. TOPOL in FIDDLER ON THE ROOF. Evgs 7.30, mat Thur & Sat 2.30. LAST 3 WEEKS. ENDS OCT 29. CC Theatre bkgs 01-930 9232. Group sales 01-930 6123. Party bkgs 01-828 6188.

APOLLO (Shafts Ave.). S CC 437 2663. Mon-Fri 8.0, Sat 5.30, 8.30. Thur 3. Grp 930 6123. NANNAN GORDON, MARTIN SHAW and JOHN STRIDE in THE COUNTRY GIRL.

BARBICAN. 01-628 8795. CC. 01-638 8891 (Mon-Sat 10 am-8 pm). ROYAL SHAKESPEARE COMPANY. BARBICAN THEATRE ton't 2.00 & 7.30 CYRANO DE BERGERAC by Rostand (runs 3½ hrs). Mon & Tues MUCH ADO ABOUT NOTHING. Day seats £4 from 10 am. THE PIT today 2.00 & 7.30 TARTUFFE by Moliere (runs 2½ hrs). New season from 14 Oct inc. MAYDAYS by Davis Edgar.

BARBICAN HALL. Barbican Centre EC2. 01-638 8891 01-628 8795. Ton't 7.45 LONDON PHILHARMONIC POPS ORCHESTRA. IAIN SUTHERLAND COND. Guest artists include: Sarah Brightman, Andrew Lloyd Webber, Liz Robertson, Joan Savage, Robert White. Fanfare Trumpets of the Grenadier Guards. Guest presenters include: Russell Grant, Nerys Hughes, Alan Jay Lerner, Selina Scott, Ned Sherrin. Prog incl music by Gershwin, Lloyd Webber, Verdi, Walton, Kern, Jim Webb. Tomor 7.30 London Philharmonic Orchestra, James Judd cond.

CHICHESTER FESTIVAL THEATRE (0243 781312). OMAR SHARIF in THE SLEEPING PRINCE. Today 2.30 & 7.30. KEITH MICHELLE in AMADEUS by Peter Shaffer. Oct 11-15. Evgs 7.30. Mats Thurs & Sat 2.30.

COLISEUM. S. 836 3161. CC 240 5258. ENGLISH NATIONAL OPERA. Ton't, Mon, Fri 7.00 (please note earlier start): RIENZI. Wed 7.30: ARIADNE ON NAXOS. Thu 7.30: ORFEO. Some seats avail at the door each day.

COMEDY. CC 01-930 2578. Mon-Thur 8, Fri & Sat 6.15 & 8.45. LITTLE SHOP OF HORRORS. The monster musical comedy. Prev from Oct. 4. Opens Oct. 12 at 7.00.

CRITERION. S 930 3216. CC 379 6565. Grp 836 3962. Mon to Fri 8.30. Sat 5.30 & 8.30. THE TRIUMPHANT PETUON OF WOZA ALBERT!

DONMAR WAREHOUSE. Covent Garden. 8 CC 379 6565/836 1071. RERTICE READING in EVERY INCH A LADY. Food & drink 8 pm to 1 am. Show 9 pm.

DRURY LANE Theatre Royal. CC 01-836 8108. Group sales 930 6123. Evgs 7.30, mats Wed & Sat 3.00. OLIVER TOBIAS, PETER NOONE and RONALD FRASER, ANNIE ROSS in THE PIRATES OF PENZANCE. Credit card Hotline 930 9232. SECOND SWASHBUCKLING YEAR. LAST 6 WEEKS.

DRURY LANE Theatre Royal. CC 01-836 8108. Prevs Nov 11, 12. OPENS 14 NOVEMBER. BOB FOSSE'S DANCIN'. American Co. for limited season.

DUCHESS THEATRE. CC 01-836 8243. The Beagle Has Landed! SNOOPY THE MUSICAL. Mon-Thur 8 pm, Fri & Sat 6 & 8.30 pm. Credit card Hotline 01-930 9232. Also at Keith Prowse branches (no bkg fee), 01-636 8666. Grp sales 01-930 6123.

DUKE OF YORK'S. S. CC. 01-836 5122. CC only 836 0641. CC Hotline 01-930 9232. Mon-Thur 8.0, Fri & Sat 5.45 & 8.30. JAN OGILVY, ANGELA THORNE, STEPHANIE BEACHAM, JAMES LAURENSON in HAPPY FAMILY by GILES COOPER. Directed by MARIA AITKEN.

FORTUNE. 836 2238. CC Hotline 930 9232. Grps 930 6123. Mon to Fri evgs 8 pm, Sat 8.45, mats (children ½ price), Thor 3.00, Sat 8.30. DENIS LAWSON & CHRISTINA MATTHEWS in MR CINDERS. Music by Vivian Ellis. NOW BOOKING FOR XMAS.

GARRICK. S CC 01-836 4601. Evgs 8.00. Wed mat 3.00. Sat 5.00 & 8.00. 13th HYSTERICAL YEAR. LONGEST-RUNNING COMEDY IN THE WORLD. NO SEX PLEASE—WE'RE BRITISH. 2 hours of non-stop laughter. Directed by Allan Davis. Grp sales Box Office 01-930 6123. Credit card Hotline 01-836 0641. OVER 5,000 FANTASTIC PERFS.

GLOBE. CC 01-437 1592. Andrew Lloyd Webber presents THE SMASH HIT COMEDY OF THE SEASON. DAISY PULLS IT OFF by Denise Deegan. Directed by David Gilmore. Evgs 8.0, mats Wed 3.0, Sat 5.0. Group sales 930 6123.

GREENWICH THEATRE. 01-858 7755. Evgs 7.45 (sharp) mat Sat 2.30. SHEILA GISH in A STREETCAR NAMED DESIRE by Tennessee Williams.

HAYMARKET THEATRE ROYAL. 930 9832. Group sales 930 6123. For a limited season. ALAN BATES, MICHAEL GOUGH, GEORGE MURCELL, JUNE RITCHIE, DAVID KING and HARDY ANDREWS in the Chichester Festival Theatre Production of JOHN OSBORNE'S A PATRIOT FOR ME. Directed by Ronald Eyre. Evgs 7.30, mats Sat at 2.30. Please note no midweek matinee. LAST TWO WEEKS.

HAYMARKET THEATRE ROYAL. 930 9832. Group sales 01-930 6123. Reduced price previews from Oct 12. Opens Tues Oct 18 at 7.0. Evgs 7.30 mats Wed 2.30, Sat at 3.0. JOAN PLOWRIGHT, FRANK FINLAY, LESLIE PHILLIPS, JOANNA DAVID, BILL FRASER, FRANK GRIMES and BERNARD MILES in THE CHERRY ORCHARD by ANTON CHEKHOV. Directed by LINDSAY ANDERSON.

HER MAJESTY'S THEATRE. 930 6606-7. CC 930 4025-6. Evgs Mon-Sat 7.30, mats Wed & Sat 2.30. BUGSY MALONE. Group sales 01-930 6123. Credit card Hotline 01-930 9232. CHILDREN'S PRICES AT MOST PERFS. BOOK YOUR SEATS AT ANY KEITH PROWSE BRANCH—NO BOOKING FEE.

KINGS HEAD. 226 1916. Dnr 7. Show 8. THE BOUNCING CZECKS.

LA VIE EN ROSE. CC. Gt. Windmill St. W1. 437 6312-6380. RESTAURANT, CABARET, BAR, LASER DISCO. Nightly at 11 pm. THE SPECTACULAR GLAMOROUS REVUE BIZZARE. A BIG BOASH MUSICAL EXTRAVAGANZA with a HUGE CAST of INTERNATIONAL ARTISTES. 8 pm-2 am. Admission for non-diners £10. Now booking for the Christmas Season.

LONDON PALLADIUM. 01-437 7373. Evgs 7.30, mats Wed & Sat 2.45. MATINEE TODAY 2.45. FIRST EVER STAGE PRODUCTION. TOMMY STEELE in SINGIN' IN THE RAIN with ROY CASTLE. CREDIT CARD HOTLINE. TEL 01-437 7373 or 01-437 2055. NOW BOOKING TO JUNE 1984.

LYRIC HAMMERSMITH. S. CC. 741 2311. Evgs 7.45, Mat Thur 2.30, Sat 4.0. CRIME AND PUNISHMENT (in English). Dir by Yuri Lyubimov USSR.

LYRIC STUDIO: THE SHELTER by Caryl Phillips. Last Perf Ton't 8.0. From Oct 8 FLY AWAY HOME by William Humble with Hywel Bennett, Diana Quick, Roger Lloyd-Pack, Tim Woodward.

LYRIC THEATRE. 437 3686. S. CC. Evgs 7.30, mats Wed 3.0, Sat 5.0 & 8.15. BARBARA DICKSON in BLOOD BROTHERS. THE WILLY RUSSELL MUSICAL. LAST 4 WEEKS.

MAY FAIR. S CC 629 3036. Mon-Thur 8.0, Fri and Sat 6.0, 8.30. Group 930 6123. RICHARD TODD, Eric Lander, Brigid O'Hara in THE BUSINESS OF MURDER. THIRD GREAT YEAR. OVER 1,000 PERFORMANCES.

NATIONAL THEATRE. S. 928 2252. OLIVIER (open stage) Today 2.00 & 7.15, Mon 7.15 GUYS & DOLLS. LYTTELTON (proscenium stage) Today 3.00 & 7.45, Mon 7.45 YOU CAN'T TAKE IT WITH YOU by Moss Hart & George S. Kaufman. (Last 7 perfs Oct 10, 11, 14, 15 M & E, 17, 18) THE TROJAN WAR WILL NOT TAKE PLACE. COTTESLOE (small auditorium — low price tkts) Today 2.30 & 7.30 THE FAWN by Murston. Mon 7.30 GLENGARRY GLEN ROSS (Last 5 perfs Oct 8, 7, 8 M&E, 10 THE BEGGAR'S OPERA). Excellent cheap seats day of perf all 3 theatres. Also standby from 10 am on day of perf. Car park. Restaurant 928 2033. Credit card bkgs 928 5933.

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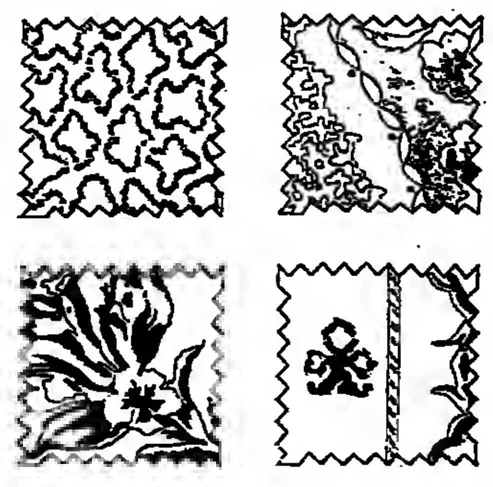
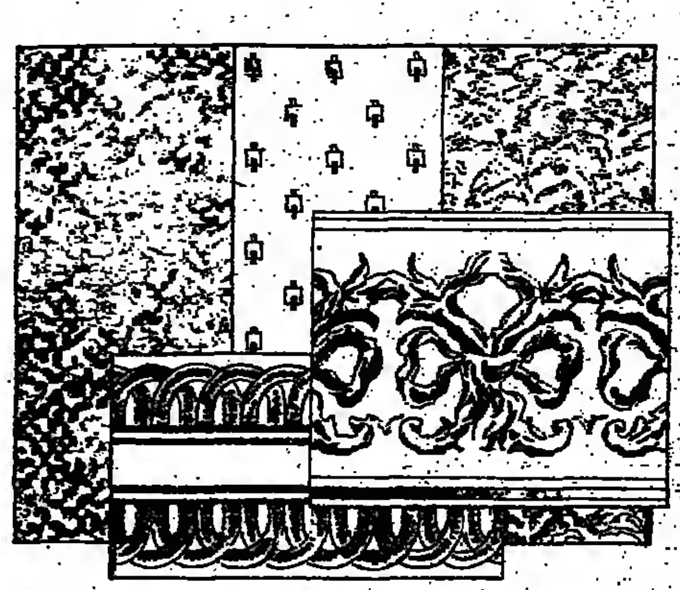
Lucia van der Post

Sk..pping for special effects

WHEREAS once upon a time the well brought-up artistic girl could do the Grand Tour or take up watercolouring and a little needlework, nowadays she probably has to work for a living, either before marriage or else to keep her gainfully employed once the children are safely packed off to school. Many of them, having no formal qualifications have taught themselves some of the increasingly fashionable domestic arts—things like stencilling, stippling, rag-rolling, fabric-painting, curtain-making—and so nowadays it is nearly always possible to find somebody, somewhere, who is ready to give your house (or just a room in it) some very special treatment. Very often it is just one woman working on her own and further commissions depend upon word of mouth. If you are looking for new ways of giving your house a lift here are a few of the options around.



Drawings by Pauline Rosenthal



A cursory glance at any of the bulging books of fabrics and wallpapers that clutter up most decorating shops might lead one to think that the market was already suffering from a surfeit of choice. However, Jane Churchill, who in May launched a new collection of some 12 designs for wallpapers and fabrics in four or five colourways has proved that if you study a market closely enough and gear your product to what the customer needs there will always be room for something new.

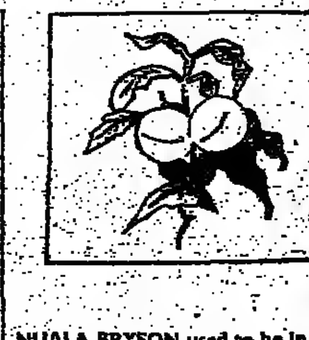
As a successful interior decorator, working with wallpapers and fabrics daily, she knew that there was a demand for a look that was more sophisticated than Laura Ashley, less expensive than Colefax and Fowler and that would work well with the things people already owned.

The collection she has developed (with the help of her partners Eric Karlsen and Robert Adamson) fits the bill perfectly. The designs are taken from 19th century French silk fabrics—on the whole the background overall design has been used for the wallpapers (see above sketched right) and the main design for the fabric (see above, sketched left).

What I particularly like about the collection is that in any given colour range (for the moment there is soft blue, apple green, pink, apricot and yellow) all the fabrics, all the papers and all the borders work together so that one could furnish an entire room from the range.

The look is very fresh, very country-house and with this first collection very bedroomy (in December comes the next collection—more masculine and more for drawing-rooms). The prices are, compared with anything similar on the market, astonishingly low. All the papers are £5.40 a roll, the fabrics vary between £5 and £8 a metre and the paper borderse are £1.26 a roll.

In London see the collection at Jane Churchill, 81 Pimlico Road, London SW1—elsewhere in good decorators' shops.

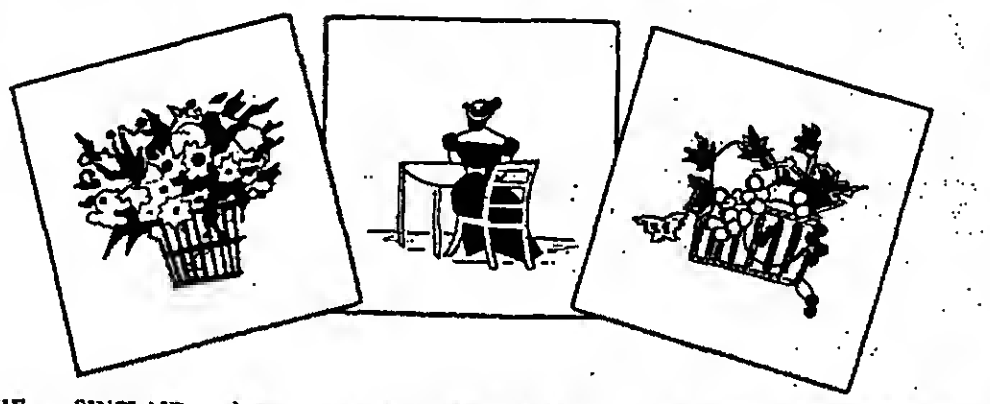


NUALA BRYSON used to be in the fashion business before she married and had a family and now that the children are more self-sufficient she has found the hand-painted cushion covers that she enjoyed making as a hobby have become a source of income.

She uses squares of 15-in natural unbleached calico which she paints, using watercolours (which she finishes so that they are washable). For the moment she specialises in flowers, fruit and birds (like the peaches and dove with olive branch on the cushion covers sketched here). If the cushion covers seem expensive at about £29, it is worth remembering that she approaches each one as she might approach painting a picture—each of them is done in careful and minute detail and every one is completely different.

For those who prefer a fabric rather grander than unbleached calico she is now working on pastel chintz in pale yellow, pale blue and sharp pink.

Anybody who is interested in these rather delicate contributions to the interior scene will find a collection of them at Harvey Nichols of Knightsbridge, London SW1; John Lewis of Oxford Street; and Peter Jones, Sloane Square, London SW3. Out of London readers who would like to order cushion covers can do so through the How To Spend It page. We will pass on all commissions to Miss Bryson.



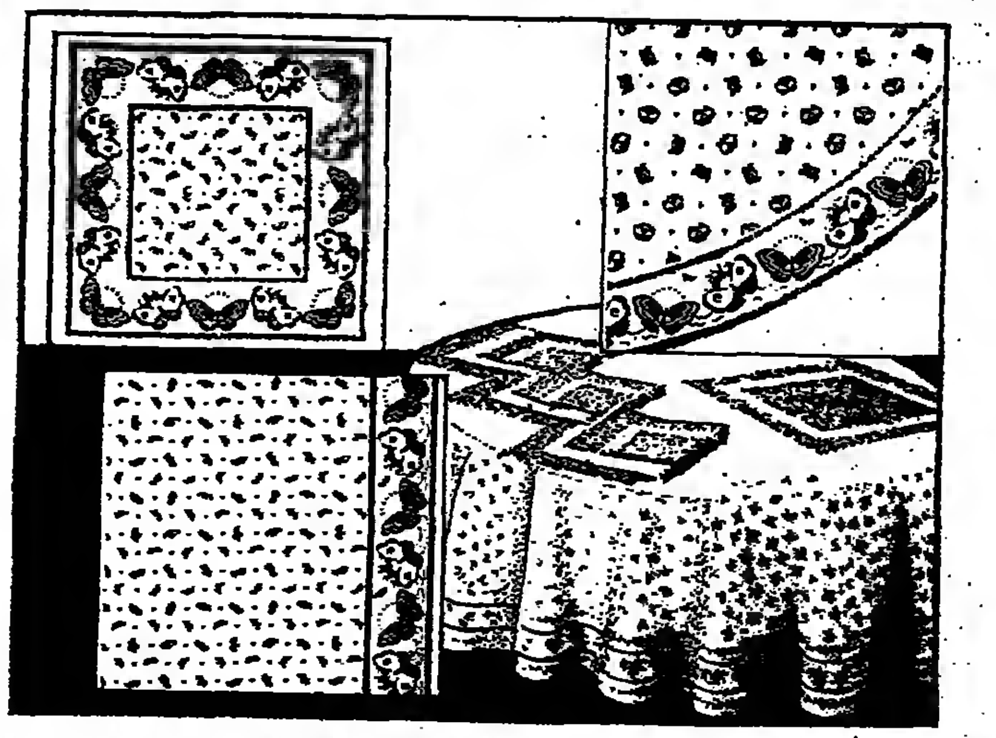
JANIE SINCLAIR has developed a special technique of her own, using a combination of painting and embroidery, to create very special accessories. She likes best of all to be commissioned to do work for a special room and is happy either to be sent swatches of the fabrics already being used in the room or to go and visit and proffer her own ideas and designs.

She starts by painting her designs, using washable fabric paints, onto silk or cotton or chintz and then she embroiders for extra emphasis. The three cushions illustrated above show something of the effects she achieves.

However, as she points out, this technique can apply to a whole range of household furnishings and she has, in the past, been asked to do whole screens, bedspreads, curtains, blinds, panels that are stretched out on battens and used almost like pictures.

What she primarily has to offer is a unique, one-off decorative service and for this reason anybody commissioning a design has to contact her direct and how long the project takes depends upon what else is in the pipeline.

Write to her at 98 Beaufort Street, London SW3, or telephone her on 01-731 4506.



NORAH TEW is a design consultant whose work for her company T-T Design Services, 56, Goodwins Court, 56, St Martin's Lane, London WC2, takes her on frequent visits to the States. The latest bright idea (straight from the why-didn't-they-think-of-it-before category) that she has just started importing is a collection of ready-printed tablecloths, napkins and cushion-covers.

The concept is simplicity itself—making circular or even oblong tablecloths and napkins is time-consuming and often needs expertise the ordinary housewife doesn't have. Circular cloths, in addition, use exorbitant amounts of fabric. International Printworks Incorporated, therefore, came up with the inspiration of simply printing the shapes, complete with integral borders, onto fabric so that all the customer would have to do would be cut along the marked edge and sew by hand or machine.

The company has started off by offering three different designs—Kashmir, Fresh Berries and Provence—with a choice of borders and motifs. Within each design there are different colourways that work well together so that a co-ordinated, almost designer-like look can very easily be created.

For instance, in the Fresh Berries collection, the basic design is an all-over berry motif on 53 ins French cotton—co-ordinating with it is the same design with a stripe (the stripes can be cut up to form extra borders if required). There is also the Fresh Berry circle (to make the 70 ins circular tablecloth), the Fresh Berry square (use single squares to make cushion covers, hem them to make table napkins or join them together to make oblong tablecloths or even bedspreads) and finally, there is Berry Vine, a similar design in the same colourway which can be used to create extra interest in any way the customer wishes. (Norah Tew, has used one design to form a floor-length circular cloth and then topped it with a shorter cloth of different design but same colourway.)

The Kashmir collection is perhaps the richest, most interesting design (particularly exotic in deep blue with deep pink or there is deep pink with mauvish borders) while the Fresh Berries collection is an artless, almost rustic design. The Provence collection features butterflies on different backgrounds. See it sketched, above.

The collection is just going into major department stores now as well as into HB Interior Designs, 3 Crewe Road, Sandback, Cheshire. But you can write to Mrs Tew for local stockists in your area. Prices range from about £12 for the fabric by the yard, the fabric featuring the circles to form tablecloths will be about £42. In addition, Mrs Tew can organise having the tablecloths and napkins made up for those who don't want to undertake it themselves—circular tablecloths will cost £9.62, squares 84p extra.

Dressing for the occasion

IT IS amazing, looking back, to realise how long it has taken our major stores to cotton onto the fact that the growing legion of women earning substantial salaries of their own could be a market worth cultivating.

Several of the cannier manufacturers—notably Jaeger, Alcron, Aquascutum, Planet, Windsmoor—have for some years offered the kind of tailored suits and soft blouses that they imagined these sort of women wanted, but on the whole the stores left women to search these garments out from among the laden rails for themselves.

Austin Reed was the first to realise that these women were just as busy as any businessman and that if they made the whole business of choosing a suitable wardrobe as trouble-free and easy as possible, they might be able to offer a genuine service and cash in on an important market.

Options, I think, chose a very clever buyer. She got the mixture just about right—any woman who needs a classy looking outfit for any occasion (working women, after all, have after-six lives, too) can be pretty sure she'll find something there.

Latest store that aims to attract the busy, successful woman is Moss Bros which last week opened its own answer to the problem—Attitudes. Like Options it aims to cater for Ms Executive right through from her breezy early morning conferences to her late-night dinner dates and like Options it expects her to be prepared to spend money on getting the image right.

Nothing in the store is cheap.

For the woman within reach of Covent Garden, London, Attitudes does add a more sophisticated dimension to what the district has to offer but for those who live out of town and have to shop in stores without a department of this kind, the labels to look out for, the ones that Attitudes and/or Options have chosen to lean on are the classic names like Jaeger, Burberry, Kay Casserni, Alcron, Paul Costelloe. Also look for Attitudes' designer labels like Yarell, Alberei Parigi—whose heavy crepe polyester dinner dress and jacket is photographed above—Fink, Goldix and Lucio.

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Saturday October 1 1983

Risks and rewards

THE WESTERN economies are at last quite definitely recovering—and that includes the UK economy: but they also risk stumbling into a financial disaster which could, according to President Reagan, scar an entire generation. That was the confusing message from the annual meeting of the International Monetary Fund in Washington this week, which succeeded in doing nothing at all to help the recovery or reduce the risk.

Meanwhile, at home, there are also confusing messages. The Bank of England has not only gone some way to endorse the optimism expressed by the Chancellor in Washington, but even suspects that we may be entering a virtuous circle of sustained, non-inflationary growth; but as the news improves, the unions seem to be flexing their muscles for a little demolition work.

The world debt crisis has been staggering on from one emergency to the next for so many months that it is easy to ignore it altogether, but now the adjustment process has run into a major snag. The U.S. Congress is obstinately refusing to vote the promised increase in the American IMF quota without attaching various conditions which the banks—or the IMF itself — consider ruinous.

The proposed political conditions are really a part of the year-long U.S. election campaign, and these demands will probably be dropped in due course; but hostility to bankers is a tradition as American as apple pie and not altogether an unhealthy one. The Congressmen observe that the banks made a lot of silly loans, but have not provided for probable losses. Now they want the IMF to pull their chestnuts out of the fire by imposing severe programmes on borrowers, but at the same time are raising their fees and spreads on rescheduled loans to cover increased risk. The Congressmen seem determined that they cannot have it both ways.

Need to share

The trouble is that the imposition of banking penalties would make banks very reluctant to lend any more than they are forced to do to the debtor countries, thus delaying their recovery more or less indefinitely. At the same time the more conservative member governments are equally reluctant to let the IMF take over as a financial intermediary, borrowing in the markets at keen rates and lending on correspondingly less punitive terms than the banks are offering.

It begins to look, in short, as if the banks and the IMF cannot solve the problem, in the sense of restoring the capital flows which developing countries need if they are to go on developing; but provided they can head off an actual collapse, that may not be a bad thing. As the Chancellor pointed out in a passage in his speech which attracted less attention than it deserved, the solution may lie in a revival of the normal flows of long-term risk capital. Developing countries have been very hostile to foreign equity in recent years, regarding it as a form of neo-colonialism. They may now learn that there are worse fates than having to share the rewards of development with those who provide the capital.

A share in the rewards is, of course, just what the Vauxhall workforce now feel entitled to claim. The company has been sensationally successful in the market place, and as a result, may now face the first major pay strike in the UK motor industry for some years. This is a bit of a facer for the Government; its central message, that pay is the reward of success rather than a matter of keeping up with somebody else's settlement, would be much more popular if it could be seen to involve reward as well as sacrifice. There is a problem, however, in fitting this message to Vauxhall: the company in effect subsidised wages on a large scale in the lean years, and it is only now, with sales success, that it is recovering its outlays from customers rather than from the parent company. The company is not prepared to subscribe to a rule of heads-I-lose-tails-you-win.

For the economy at large, what matters most is that the argument should stick to its present terms of reference: what the company can afford. Non-inflationary recovery does not mean that income growth must be repressed, but simply that any increase must really be earned.

Now that the economy is at length beginning to throw up some real successes, this doctrine faces its biggest test. The welcome reduction in wage pressures during the worst of the recession has not been too difficult to obtain: if the average can remain realistic while some successful groups set a faster pace, then it really can be claimed that behaviour has changed.

It would be foolish to be too optimistic about this at the moment: one lesson we have yet to learn from the Japanese is the value of large profit-related pay bonuses in sharing risks and rewards more equitably.

Perhaps that is why the Bank of England chooses this month, most uncharacteristically, to paint a picture of a promised related to productivity, and land: if wages really were inflationary expectations were low, employers might learn to seek their profits in higher output rather than higher prices: and then investment would revive, efficiency improve, and success would breed success. That is also the Chancellor's hope, and ours too; but we have not yet achieved this promised land.

How Kinnock stole a march

By Margaret van Hattem, Political Correspondent

THIS WEEKEND the Labour Party assembles in Brighton to reassess its future in the wake of its most disastrous election defeat for more than three decades. The hope is that the election on Sunday night of a new leader will strike a hopeful, forward-looking note for the rest of the week, minimising the post-mortem recriminations.

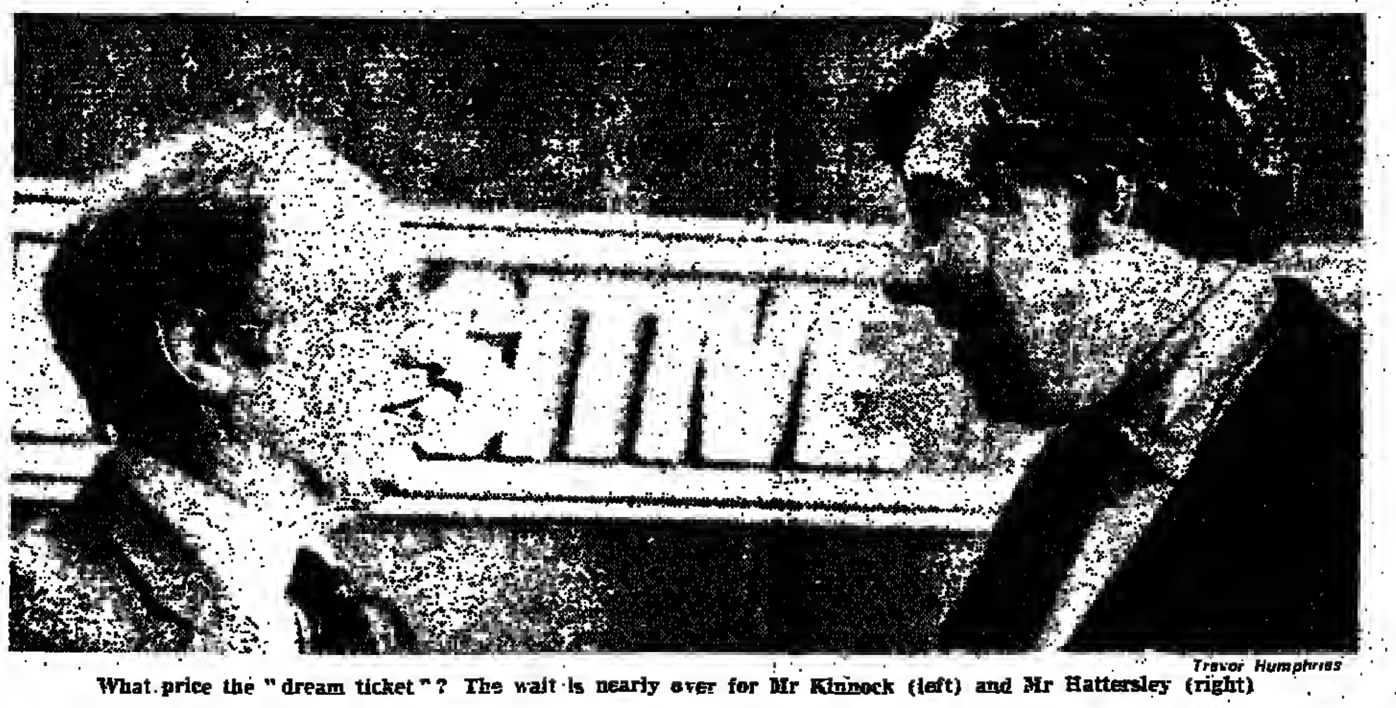
But the tensions in the party, over the future as much as the past, will almost certainly erupt next week. The leadership election campaign has remained apart from these, providing little opportunity for debate over where Labour goes from here. Its outcome cannot be seen as the party's verdict on a choice of different courses.

Contrary to popular belief, there has been no contest for the Labour leadership this summer. The outcome was assured months before the general election.

The campaign could be said to have opened in the aftermath of the bitterly divisive contest for the deputy leadership in 1981 between Denis Healey and Tony Benn, in which Neil Kinnock refused to vote for Mr Benn.

He was all but roasted alive by the Left at the time, and he began to run. He ran up and down the country, night and day, making good the damage. He spoke to union branches, party branches, meetings of students, teachers, local government organisations—anyone who would listen. His appearances at Westminster became briefer and rarer, his front bench performances at education question time more perfunctory. But outside, he was building up valuable support.

The second decisive event was last year's abortive Shadow Cabinet reshuffle. Mr Michael Foot had let it be known that



What price the "dream ticket"? The wait is nearly over for Mr Kinnock (left) and Mr Hattersley (right)

Trevor Humphries

he hoped to give Mr Kinnock the Employment portfolio, replacing Mr Eric Varley. Mr Varley's friends, including Mr Gerald Kaufman and Mr Roy Hattersley, threatened to create pandemonium. Mr Foot equivocated. Mr Kinnock defused the the issue by saying that he did not want the job anyway. But he was furious and humiliated.

He went home and told his family that he would run for the leadership next time around—not to put down a marker for the future, but to win. His cross circuits moved silently into top gear. Within weeks he was reasonably sure that he had the support he needed in all sectors of the electoral college. All that remained was for Mr Foot to step down.

If Mr Peter Shore and Mr Roy Hattersley had little idea, when they announced their own candidatures, of the extent to which Mr Kinnock had stolen a march on them, they soon learned. Mr Shore virtually withdrew from the arena while Mr Hattersley tried to reconcile himself to the idea of becoming Mr Kinnock's deputy.

That is one reason why the "contest" never developed into a debate about the party's future. If the two men were to work together, there could be little point in playing up their differences at this stage—and these differences, at the very least at a personal level, could turn out to be considerable.

But there is another reason: the party is not being offered a real choice. Mr Kinnock is usually held to be of the Centre-Left, Mr Hattersley of the Right: but the distinction is becoming increasingly blurred. They may identify with different traditions in the party's history but on most policy areas they have a lot in common.

Even on defence, where Mr Kinnock is a passionate unilateralist and Mr Hattersley a convinced multilateralist, their actual differences seem to be largely emotional. With Mr Kinnock accepting that Polaris should, in its remaining years, be used to bargain in international disarmament negotiations, while Mr Hattersley accepts that neither Trident nor cruise should form part of Britain's arsenal, the debate over U.S. bases begins to sound fairly theological and hypothetical.

That is not to say that the party does not face agonising policy debates before the next election. They will start next week. The Left is still a powerful force inside the party. While few find as comforting as Mr Tony Benn apparently does the fact that "eight million people voted for socialism," commitment to the policies on which Labour fought the election is still deep and widespread.

Nevertheless, in terms of organisation, the Left has collapsed. The progress made in previous years on limited, narrowly-defined goals, such as mandatory reselection of MPs and the establishment of the electoral college, has not carried forward into a more comprehensive strategy. And the removal of Mr Benn from Parliament has deprived the Left of candidates sufficiently credible to attract the support even of many of its own adherents.

Much of the Left has accepted, albeit reluctantly, the centrist Kinnock-Hattersley ticket. Mr Eric Heffer never looked like a serious contender for the leadership. So far not a single union has openly backed him and only 30 constituency parties endorsed his nomination, against 281 for Mr Kinnock. (With Mr Kinnock's success assured, Mr Heffer may now pick up more support from the constituency parties, but their hesitancy in coming forward is significant).

Even Tribune, which has consistently opposed Mr Kinnock, commented in an editorial this week: "We are advising a first ballot vote for Eric Heffer but . . . (we) should not be churlish about the now inevitable election of Neil Kinnock. He is a far better candidate than any who might have emerged had the choice been left solely to MPs."

The Left has been more successful in lining up support behind Mr Michael Meacher for the largely symbolic post of deputy leader. But even here there are signs of acceptance that the role of the Left for the foreseeable future will be as a brake on the party, preventing major policy reversals and retreats, rather than in the forefront of the movement.

The party is only beginning to come to terms with its election defeat. In doing so it will have, over the coming months, to question its organisation, its policies, its class allegiances, its relationship with the union movement, the scope and nature of its membership — everything that makes it what it is. That there will be bitter struggles is certain. That there will still be a Labour Party worthy of the name at the end of the process can no longer be taken for granted.

The unions come to the aid of the party—one last time

By John Lloyd, Industrial Editor

BOTH THE Labour Party and the trade unions know that Labour has lost the support of the majority of the working class. But what the party knows in its head, the unions have already felt in their guts.

Union leaders and activists have had the hard pounding of four-and-a-half years of aborted campaigns, hopeless industrial action, and falling membership: they have seen the mineworkers spurn action three times and the local government officers refuse to affiliate to the Labour Party by a margin of eight to one.

They have scraped together cash for a party which slumped to defeat and which remains bankrupt and determinedly acid in its internal controversies.

On the right, Mr Frank Chapple of the electricians has warned that the unions face a choice between unionism and socialism, one not posed in the UK for seven decades: a number of unions (none affiliated to the Labour Party) are mulling over industrial relations thoughts with the SDP, and lots of members are voting Tory and Alliance in the local by-elections, the results of which confirm Labour's continuing decline.

The unions are more politically volatile than they have been for many years, and the once unthinkable could yet happen. If the new party leadership fails to stem the decline, there could indeed be disaffiliations.

But if the old alliance remains reasonably intact over the immediate future—and that is still the best bet—all the good men in the unions' leaderships will come to the aid of the party in the following ways:

● By delivering. The Kinnock-Hattersley "dream ticket" is now generally seen as the best hope Labour has of opposing Thatcherism and Owenite social-marketism. The unions will deliver that tomorrow, and the best guess is that they will be boosted by the MPs and the constituencies will be unable to stop them.

● By example. Mr David Basnett, leader of the GMBU and the arch centrist on the TUC general council has, in alliance with Mr Len Murray, the TUC general secretary, delicately balanced membership of the TUC main committees and bent over backwards to be fair to the losing left group on the Council—so far, indeed, that right-wingers are grumbling ferociously, but so far impotently, that they have not tasted the fruits of the victory everyone told them they had won at Congress last month.

The new centre-left/centre-right coalition on the TUC will be canny, pragmatic, cautious and low profile: do thou likewise, is their message to their Party brothers.

● By distance. When Mr Alastair Graham, general secretary of the Civil and Public Servants Association, told the TUC Congress that the links could be loosened so that both partners could breathe more easily, he was reviled by the floor but won the block votes. The unions do not want to be seen to be running the party, and their joint policy making instrument, the Liaison Committee, will be a low grade forum for the immediate future.

Mr Basnett would like to see the structure of the electoral college change, so that unions took only 25 per cent of the electoral college votes, matched by the constituency parties, giving the Labour MPs a commanding 50 per cent. That is designed to make Labour more electorally popular, but it will be a slow job clawing back the ground.

● By policy. The insouciant way in which Mr Neil Kinnock has disposed of pre-June 9 policies has yet to be supported by the Party conference: Since the unions dominate 90 per cent of the votes, that means that if union leaders wish to support his emerging revisionist programme, they must get different policies through their conferences to be able to deliver the votes on Labour's conference floor.

This won't be automatic: union conference decisions have swung leftwards in the past few years, and at their spring gatherings this year there were few signs of a shift—on the contrary, the left-wing tide still ran, albeit more gently.

● By money. The Party is broke. If Mr Norman Tebbit brings in periodic ballots on unions' political funds—as he intends—a number of unions might find their members voting to stop them from helping the party out of the financial mess. If Mr Tebbit goes still further and makes it easier for union members to stop paying the political levy, the overdraft (presently £500,000) will become a pressing problem.

In June 1983, union leaders of all political leanings were desperate to see Labour re-elected, though most thought the game was up before the TV computers told them so. By 1987/88, the prospect of another defeat like the last one will be intolerable. The desperation bred of that possibility is forcing them now towards increasingly decisive action.

Letters to the Editor

Inflation

From the Managing Director, Sogo Machinery.

Sir, — The article by Christopher Lorenz on marketing "modern" design (Management Page, September 22) charges British manufacturing and retail industry with conservatism based on the British public's apparent reluctance to accept change.

Perhaps the reluctance stems from a common-sense appreciation of what is value for money. One can hardly blame a consumer for exercising caution when offered something looking like a deckchair with flair at the same price as a traditional piece of furniture with quality frame and upholstery.

Quite often, we are victims of this "inflation by design" when buying goods such as clothing, furniture and consumer durables, where reduced material and work content is sold at the same or higher price.

Examples of selling less for more can be found in almost every commodity from package holidays offering fewer meals, to packaged food products suffering from substitutions and reductions.

It seems unlikely that the RPI can ever fully take into account the inflation factor which arises when a reduction is made in the intrinsic value of goods and services without a commensurate decrease in the retail selling price.

And yet how useful it would be to try to measure this form of hidden inflation and its detrimental effect on the economy. Surely, if the British consumer has to be "manipulated" at all, it should be towards a preference for goods and services which offer more, not less, in terms of intrinsic value at a given price. This would put more pressure on industry to improve margins through greater efficiency in design, manufacture and service, and would benefit both employment and exports.

Increasing margins by giving less real value is, I believe, another soft option which can only help to perpetuate poor economic performance.

P. Flatter.
Transport Avenue Industrial Estate, Gt. West Road, Brentford, Middlesex.

Conveyancing

From the Secretary, Non-contentious Business, The Law Society.

Sir, — From Tony Holland's article "Conveyancing and the public interest," Mr J. Bradshaw (September 17) was able to find just one alleged inaccuracy. It is in fact Mr Bradshaw rather than Mr Holland who is inaccurate.

The Royal Commission on Legal Services summarised its views of extension of the restriction on preparation of transfer documents as follows: "We recommend that the Solicitors Act 1974 should be amended to prohibit an unqualified person not merely from drawing up for gain the final document but also from preparing a contract for the sale or other disposition of land or any interest in land" (para 21.61 and recommendation R.21.31).

Malcolm C. Leaf.
The Law Society's Hall, 113, Chancery Lane, WC2.

Wages

From Mr P. Mitchell.

Sir,—It does not take long for some workers to demand more money from their company, showing that greed is as rampant as ever. I have in mind the Vauxhall car workers.

For the first time in ages their company is showing signs of making a profit and now they are demanding a rise of about six times the present inflation rate. They want to share in the present prosperity of the company, they say. By the same criterion are they going to demand a reduction in wages when the company makes a loss, or when profits fall?

Albeit they were set a bad example from Parliament with the demand by MPs for greater salary increases than Mrs Thatcher would have liked. What a glorious opportunity the Labour Party missed, should they not have voted for the smaller increase? It seems that greed makes MPs more homogenous: who worries about party lines when it comes to lining the pockets?

There is still talk of a minimum wage; when are we to hear of talk about a maximum wage?

Peter G. Mitchell.
Southside, Fife Street, Keith, Banffshire.

Democracy

From Mr F. Simmerson

Sir,—The combination of Ronald Reagan and Margaret Thatcher could prove to be a truly explosive one.

The interplay between the situation in the Lebanon (which appears almost certain to bring the U.S. and the USSR into eyeball-to-eyeball confrontation) and the basing of Cruise missiles at Greenham Common creates a conjuncture which is positively horrendous in its implications for people who happen to reside in these islands.

It is in just such a confrontation that the two super-powers will be tempted to indulge in a "theatre" war rather than lose face by backing down without some show of anger and theatre war is what Cruise and SS20s are all about.

Only madness can explain the acceptance of atomic weapons which are not under the effective control of our own Government; there are many likely conjunctures which U.S. interests will not coincide with our own and there are simply too many likely situations wherein a U.S. Government might choose to sacrifice little old UK for some greater god (very regretfully of course).

Many are the complicating factors (what the hell are British soldiers doing in the Lebanon anyway?) but the above provides a basically true picture of Britain's present predicament.

To convert our country into a base for someone else's "theatre" weapons can only imply a most extreme form of death-wish.

F. E. G. Simmerson.
56, Wilton Avenue, W4

Diplomacy

From Mr J. Dodwell

Sir,—Why is it that Malcolm Rutherford (September 22) again argues that Britain should cede sovereignty over the Falklands? Has he not considered the possibility of Argentina giving up its spurious claim to land which it has never peopled? Has he so little regard for the principle of self-determination or does he believe that principles have no role in international politics?

His comments about the Foreign Office's earlier attempts at negotiation betray Mr Rutherford's lack of understanding about those negotiations. Over the last ten years before the outbreak of war, the concessions were all one-sided from Britain. Does he not consider that for negotiations to be successfully concluded requires some give from Argentina — which has been signally unforthcoming?

John Dodwell.
8 Burnside, Hertford, Herts.

Pensions

From the Assistant General Manager, National Employers Life Group

Sir,—I read with interest Mr C. Baker's letter (September 22) where he pointed out that an employee who changes jobs has, generally speaking, two alternatives regarding the pension benefits secured on his behalf to the date of leaving service.

The alternatives mentioned were: to leave benefits in paid-up form in the fund of the original employer, or to transfer the "capital value" of the paid-up pension to the fund of the new employer.

I think it is worth pointing out, both to trustees and to leavers that a further valuable option exists. This is for the trustees of the originating fund to buy an individual policy in the name of the leaver from one of the many insurance companies now offering transfer plan policies. Such policies are approvable by the Inland Revenue under Section 32 of the Finance Act 1981, but of course they can be purchased only if the trust documents permit such action.

Naturally, if the originating fund is "contracted-out" it is essential that the Section 32 policy guarantees revalued guaranteed minimum pensions and widows guaranteed minimum pensions.

Many thousands of employees who have been made redundant, or who have left service voluntarily, have been granted Section 32 policies secured by the "capital value" of the paid-up pension in the originating fund, where the *guaranteed* pension under the Section 32 policy is considerably in excess of the frozen paid-up pension. With-profits contracts or unit-linked contracts can also be used in relation to the excess over guaranteed minimum pensions, and can provide valuable additional benefits, even on very conservative yield assumptions —especially over the longer terms.

Mr Baker ended his letter with the comment that "Extra benefits cannot be provided without extra cost; this is fundamental." This would undoubtedly be true if all "capital values" of paid-up pensions and all single premium deferred annuity rates were calculated on the same basis, but as Mr Baker acknowledged, "actuaries rarely agree on values."

While these different actuarial bases exist, and pending any legislative action extending the duties of originating fund trustees to revalue paid-up pensions on an annual basis, it seems eminently desirable (at least from the point of view of the leaver) to enhance guaranteed paid-up pensions by the use of Section 32 policies.

B. T. Jones.
Milton Court, Dorking, Surrey.

San Marino

From Mr C. Colvington

Sir, — Rupert Cornwell (September 24) when writing on San Marino in your special report on the Italian regions presents interesting facts, understandably restricted in the space available. While it is correct that Europe's oldest republic is not a full member of the United Nations, nonetheless an accredited permanent mission to the UN in Geneva is maintained in that city, thus allowing the country to participate in any UN activity of interest to the Government.

As counsellor to the mission for a period of time I can attest to San Marino's continuous desire to contribute to the activities of the UN and its Agencies, highly qualified delegates being involved regularly in the work of WHO, UNICEF, UNESCO and many other bodies as befits a country which in its own right is a signatory to the Helsinki accord, the review of which was recently provisionally concluded in Madrid. In San Marino itself excellent conference and related facilities have been provided thus enabling the country to act as host to various international and regional gatherings, for in this, as in many other ways, the San Marinese are determined to make a positive contribution to the welfare of mankind, and world peace, in the tradition of their founder.

Charles F. Colvington.
Woodland Rise, Route des Fauconnaires, St Andrew's, Guernsey, C.I.

Scientific century

BY JANET MARSH

NOT THE LEAST surprising piece of information in Dr Gerard Turner's *Nineteenth Century Scientific Instruments* (published on Monday, by Sotheby Publications and the University of California Press, £37.50) is that the word "scientist" was not coined until 1836 — in fact by a Cambridge philosopher, William Whewell. Before that people who studied natural phenomena were called "natural philosophers." The change of title is significant of a change of approach. With the nineteenth century science became a profession: hitherto it had been a gentlemanly study for amateurs and academics.

Science also was popularised as never before or since. The late eighteenth century saw the rise of a whole literature of science for the layman, with such works as William Hooper's *Rational Recreations* running into many editions. With the beginning of the nineteenth century a rash of new encyclopaedias laid special stress on scientific discovery. *The Mechanics' Magazine*, begun in 1825, was the forerunner of popular science magazines, and was later followed by *Nature* (in England), *La Nature* (in France), *De Natuur* (in Holland) and *The Scientific American*.

Popular scientific writers like the French Gaston Tissandier, whose books were translated into English, and Professor J. H. Pepper, author of *The Boy's Playbook of Science*, were among the best-sellers of the century. Pepper had a very modern view of the importance of technology. One hundred and twenty years ago he was exhorting his readers: "Let Young England enjoy his manly sports and pastimes, but let him not forget the mental race he has to run with the educated of his own and of other nations; let him nourish the desire for the acquisition of scientific knowledge, not as a mere school lesson, but as a treasure, a useful ally which may some day help him in a greater or lesser degree to fight the Battle of Life."

Victorian scientific literature, with its quaint but wonderfully clear woodcut illustrations is a whole collecting field in itself.

The nineteenth century was above all, however, the age of the scientific instrument maker. The pioneers had been the great eighteenth century horologists whose perfection of the marine chronometer had revolutionised time-keeping and navigation. Their work was carried on and brought to its apogee by their successors, whose ingenious and elegant creations in polished brass and mahogany are today often as mysterious in purpose as they are astonishing in craftsmanship.

Dr Turner's book is an attempt at a preliminary classification and description of the range of nineteenth century scientific instruments, and sets out to explain the use of such obscure devices as *goniometers*, sonometers, hodometers, odontographs and Madgeburg hemispheres. He is properly scientific in his approach, initially distinguishing four main categories of apparatus: the tools of research; instruments used in particular professions such as surveying, architecture and navigation; instruments for demonstration and teaching; and "recreational instruments", such as magic lanterns, kaleidoscopes or stereoscopes, which use scientific principles for the purposes of amusement.

The book is full of surprises. The first electric clock, for instance, was made in 1840, but even forty years before that electrical novelties were on sale in London. A German called Reis anticipated Alexander Graham Bell by a whole decade, perfecting a practicable telephone in 1861.

Other developments, notably those relating to the elemental topics of weighing and measuring and the telling of time, are no less surprising for their tardiness. It was not until the coming of the railways and the telegraph in the 1840s that time was standardised in this country; and as late as 1880, when Parliament laid down regulations for legally stated time, the law courts still kept to the ancient local time. In the United States time was not standardised until an Act of Congress in 1918. Dr Turner illustrates how sun-dials, in more sophisticated forms like dipleidoscopes and heliochronometers, persisted late into the century.

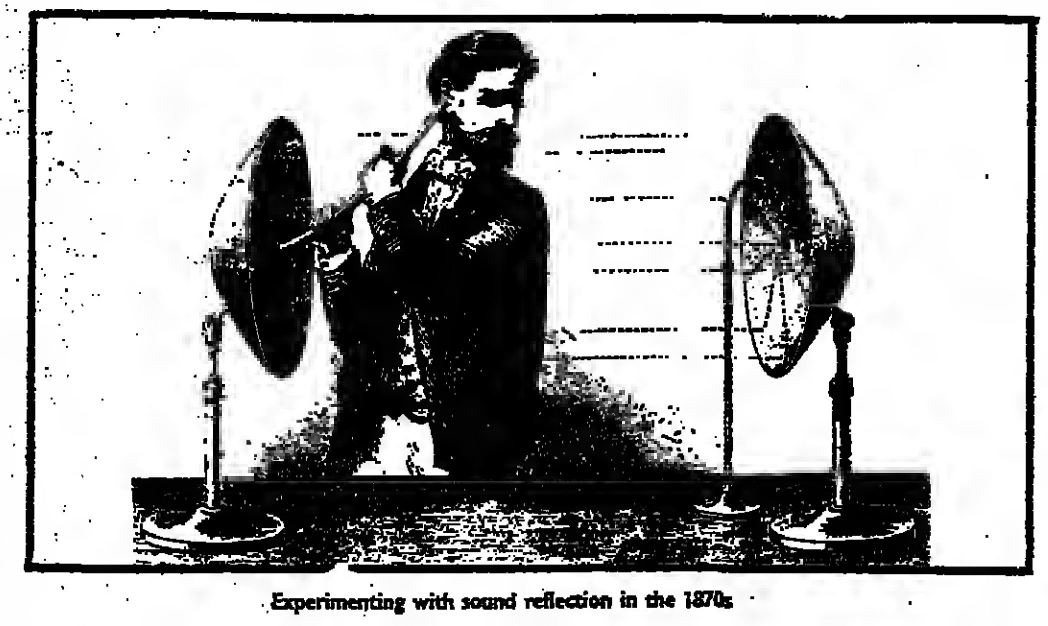
Weights and measures look as long to standardise—which accounts for the wonderful variety of measuring devices and weights available to the collector. Standardisation was generally the result of strong and stable political regimes — among them, successively, the Roman Empire, William the Conqueror and Napoleon. International standards were harder to achieve. At the start of the nineteenth century most of non-French Europe used the pound weight. Inconveniently though a pound was sometimes sixteen ounces and sometimes twelve; and was equivalent to 494.1 grams in Amsterdam, but only 433.9 in Gent. Until 1897 it was still illegal in this country to use *or possess* a metric weight or measure.

In arriving at the standard metre, it appears, the academics of the French Revolution decided upon a measure that should be an exact ten-millionth of the distance from the pole to the equator, on the principal that if the metal bar that represented the official standard should ever be lost, they could always measure it over again. It is fortunate that the need never arose, since they had miscalculated it in the first place.

Dr Turner's book is a treasury of such curious facts from the history of science, and also a tribute to the bewildering ingenuity of our forefathers. The most attractive and the most questionable chapter is that devoted to "recreational instruments," toys and games, tricks and spinning tops, illusions and optical entertainments designed to exploit or explain scientific principles. It is questionable only because it seems to have become a catch-all for things that defy the basic classifications of his earlier chapters. The camera obscura, stereoscope and magic lanterns surely deserve to be rated as more than mere toys for instance; and might be more appropriate in the chapter dealing with instruments related to the phenomena of light.

He is rather too sketchy, too, in his treatment of such interesting devices as the *camera lucida* and related pre-photographic aids to drawing; and rather unscientific in misnaming *The Mechanics' Magazine* and conferring an unexpected professorship on Emile Reynaud, the humble inventor of the Praxinoscope. The book is still a brave attempt to survey a subject of huge ramifications.

Collecting scientific instruments has become rather more costly since fashionable decorators have decreed that old microscopes and Wimshurst machines are chic *objets* to ornament the modern home. You can at least view some choice examples, however, in an exhibition in Sotheby's St George Street Gallery next Monday, Tuesday and Wednesday, to launch Dr Turner's book.



Experimenting with sound reflection in the 1870s

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CHESS

LEONARD BARDEN

PEACE IS in the air over the disputed world chess championship semi-finals in advance of this month's FIDE (World Chess Federation) congress in Manila, which will make substantive decisions. Following 20-year-old Gary Kasparov's sweeping victory at the Niksic grandmaster tournament, both he and his match opponent Viktor Korchnoi agreed to take part in a one-day blitz event (five minutes per player per game).

Kasparov was first, winning both their *individual games;* but Korchnoi was an honourable second. Totals were Kasparaov 13½ out of 16, Korchnoi 10½, Tal 9½, Ljubojevic 8½, Spassky and Timman 7, Sax 6, Larsen 5½, Ivanovic 5. Back in 1970 Bobby Fischer won with 19 out of 22 in a similar event at the same small Yugoslav town of Herceg Novi: then Tal was second and Korchnoi third.

Kasparov and Korchnoi held discussions during the tournament, and agreed on a joint appeal to FIDE asking that their semi-final should be rescheduled. The peace proposals are said to include an end to the Soviet boycott of defector Korchnoi in international chess, and USSR assent to a motion upholding FIDE President Campomanes's original default. The USSR Chess Federation officials are apparently ready to agree to all this though there is more doubt on their superiors in the *Sports* Federation who most likely originated the earlier decision to default Kasparaov's match in Pasadena.

Whatever the final outcome, one aspect which stands out so far is Korchnoi's responsible behaviour when the way was open to him to press for the world title via a chain reaction of East European defaults. He arrived at Pasadena as FIDE requested, made the ceremonial 1 P-Q4 to win the "match" in Kasparov's absence, but then made public his regard for his opponent as person and player.

Korchnoi also showed his concern in a practical way for the U.S. chess public who turned up in their hundreds at Pasadena for the billed "match of the decade" and who entered for the U.S. Open played alongside the venue. He stayed on and played in the tournament; it can't have been an easy decision after his result last year at Lloyds Bank in London where he performed disastrously in a similar event. But in Pasadena Korchnoi was sharp, defeated the early leader Fedorowicz and the U.S. No. 1 Seirawan in critical games, and finally ran out the winner on tie-break with 10½/13. Not quite a performance to compare with Kasparov in Niksic, but still enough to show that Korchnoi will fight all the way if the match eventually takes place.

This week's game starts with a modern opening but develops into an old-style tactical fight with both kings in danger. Korchnoi sees further and wins a miniature; his opponent won third prize among the 844 competitors.

White: V. Korchnoi. Black: D. Gurevich.

Nimzo-Indian Defence (U.S. Open 1983).

1 P-Q4,N-KB3; 2 P-QB4,P-K3; 3 N-QB3,B-N5; 4 P-K3,P-B4; 5 N-K2,P-QN3.

5...P-Q4 is simpler. As played, Black's extrusive bishop is in danger of being trapped and has to be belatedly exchanged.

6 P-QR3,B-R4; 7 R-QN1,Q-K2; 8 B-Q2,O-O; 9 N-N3,N-R3; 10 P-Q5,N-B2; 11 Q-B3,BxN; 12 BxB, PxP; 13 PxP,R-K1; 14 N-B5, Q-K5.

Apparently a perfect answer to Black's difficulties: if 15 QxQ, NxQ he exchanges queens and also eliminates White's bishop pair, since 16 BxKNP,P-Q3 favours Black.

15 BxN!

A brilliant coup, based on an elementary concept: White's queen and knight or bishop combine for mate at KN7.

15...QxR ch; 16 K-Q2,Q-K5; 17 Q-N3! QxQP ch; 18 K-B1,P-N3; 19 N-R6 ch, K-B1; 20 QxN.

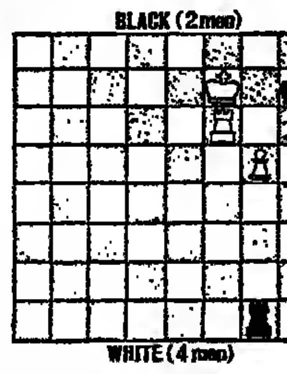
Regaining the sacrificed material, and preparing to bring reinforcements against Black's congested defences.

20...B-N2; 21 B-QN5,Q-K3; 22 Q-B4, Resigns.

Black's game is the more hopeless the more you look at it: Q-K5 fails to Q-Q6 ch, while if 22 . . . B-B3; 23 B-B4, P-Q4; 24 B-K2 with the deadly threat 25 B-KN4.

POSITION No 484

BLACK (2 men)



WHITE (4 men)

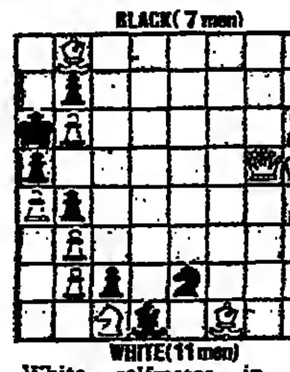
Langeweg v Ivkov, Wijk aan Zee 1972.

Rook endgames with one player two pawns up hardly ever make chess puzzle diagrams, but this is an exception. White (to move) cannot make progress by obvious means; 1 P-N6 ch, KxP; 2 P-N7 dis ch fails to K-R2, while 1 R-KN6, R-B8 ch forces the rook back. If White tries to plan R-B5, K-B6 and R along the fifth rank then Black again checks the king away from the pawns.

So how (if at all) can White demonstrate a win?

PROBLEM No 484

BLACK (7 men)



WHITE (11 men)

White selfmates in four moves (by Birgfield, 1918). This puzzle set at the recent world solving open in Israel, defeated several distinguished problemists. White moves first, Black replies in the usual way, and play continues until Black gives checkmate on his fourth move. Black's moves are all forced, and he cannot avoid abetting White's suicide. The answer is basically simple, but witty and unexpected.

Solutions Page 12

BRIDGE

E. P. C. COTTER

BEAR WITH me if today's example hands are elementary, but I am discussing two books for beginners which have recently been published. First there is *Start Bridge the Easy Way* (Gollancz £2.95) by Hugh Kelsey, which is a reprint of *Learn Bridge for Fun*. Let us consider this no trump contract:

N
♠ A Q J 8 5
♡ 8 3
◇ J 6 2
♣ 7 5 3

W
♠ 10 6 3
♡ K 10 5
◇ 8 4
♣ J 10 8 6 2

E
♠ K 9 2
♡ J 7 6 4
◇ Q 10 9 7
♣ K 4

S
♠ 7 4
♡ A Q 9 2
◇ A K 5 3
♣ A Q 9

South deals at game all and bids one heart, and jumps to three no trumps after a response of one spade from his partner. West leads the club Knave; and East's King is taken by the Ace. The declarer leads a spade and finesses dummy's Knave — what should East do? Aces and Kings are best employed, we are told, in capturing Queens and Knaves, but that does not mean that they should always do so at the first opportunity. Here you can see the advantage of the hold-up by a defender.

First consider what happens if East takes with his King. He can, it is true, return a club and clear West's suit, but South wins, and with the 3—3 break in the suit scores four spade tricks, a heart, two diamonds, and two clubs to fulfil his contract.

Now suppose East allows the spade Knave to win. The declarer is unable to establish and enjoy the spades because there is no entry to dummy. He can cross to hand with a diamond and try another spade finesse, but East wins, and the suit is now dead. The contract has no chance of success. Even if South suspects that East may have withheld his King, and refuses to finesse, he cannot come to nine tricks.

The student is advised to look out for other opportunities —they occur frequently — of cutting the declarer's communications by holding up their cards in this way.

The second book is by Alan and Maureen Hiron, and is published by the Crowood Press at £3.95. The basics of bridge are explained with commendable clarity. I like the way in which the authors illustrate the wrong and the right. In one hand the student is told that he must not draw trumps, because dummy's trumps are needed to ruff losers. Then follows this deal:

N
♠ 6
♡ 7 5 3
◇ J 8 5 3
♣ A K Q J 10

W
♠ K J 10 3
♡ 9 6 4
◇ A Q 10 4
♣ 9 5

E
♠ A Q 9 5 2
♡ 8 2
◇ 9 7
♣ 8 6 3 2

S
♠ 8 7 4
♡ A K Q J 10
◇ K 6 2
♣ 7 4

South deals at game to East-West and opens the bidding with one heart, to which North replies with two clubs, a response for which he has full values. South can only rebid two hearts and North jumps to four hearts. If you are South, how do you play?

West leads the nine of clubs, which is won in dummy, and you count up your tricks—that is standard drill. You see that you can score five hearts and five clubs, so you draw trumps, cash the clubs, and the contract is made.

Suppose that you had not counted your tricks—you might have been tempted by the singleton spade in dummy to try to make ruffs on the table. So you lead a spade, East wins, returns the nine of diamonds, and West makes Queen and Ace. He then leads another diamond, East ruffs, and you are one down.

Always count your tricks before you play to the first trick.

Dominic Wigan reports on a weekend in Paris

Sheikhs, millions and Piggott

NO FAMILY in history has put as much money into a sport as the hundreds of millions of pounds the Maktoums have ploughed into racing, and all but the most prejudiced Parisians will not begrudge them luck in Paris tomorrow.

The eldest son of the Ruler of Dubai, Sheikh Maktoum bin Rashid and his brothers Hamdan, Mohammed and Ahmed, together with cousins Merwan and Ahmed, will be on the lush green acres of Longchamp pinning their main hopes on Awaasif for the Prix de l'Arc de Triomphe.

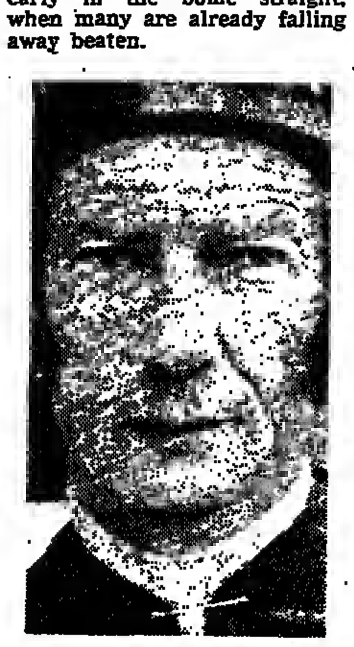
Owned by the dashing Sheikh Mohammed "for whom money simply has no meaning, "according to one of his many admirers Awaasif may well have a chance second to none when she lines up for the near £200,000 Trusthouse Forte-sponsored race, Europe's richest.

A fast-finishing third in the race last year, the striking bay, who cost Sheikh Mohammed $325,000 as a yearling, is almost certainly a better filly now. That, anyway, seems to be the view of Lester Piggott, for, after partnering Awaasif in a gallop on Goodwood racecourse the world's most successful big race jockey promptly announced his decision to partner the filly.

Piggott had been widely expected to ride All Along (a filly then at shorter odds in the betting than Awaasif) and his switch led to harsh words between the great jockey, and All Alone's owner, Daniel Wildenstein.

As astute a judge as any jockey in the history of racing, and a man who chose this year's Derby winner, Teenoso, in preference to the subsequent Budweiser Million winner, Tolomeo, Piggott has won previous Prix de l'Arc de Triomphes on Rhinegold and Alleged (twice).

In Awaasif he has a filly with both the speed to lie up near the leaders through the fast and furious early bustle and one who will be starting a run early in the home straight, when many are already falling away beaten.



Lester Piggott

At odds of around 12-1 the John Dunlop-trained Arundel filly makes far greater appeal than Time Charter, the favourite and the one most feared by the Maktoum camp.

The Maktoums may well be right to have some sort of respect for the King George VI and Queen Elizabeth Diamond Stakes winner, but I suspect that one they do not fear, Sun Princess, is likely to present a more serious threat.

Dick Hern has always maintained that the best will not be seen of Sun Princess until the "Arc" and, judged on the filly's St Leger effort, he may well be right.

In a race in which the first six in the betting are, remarkably, fillies, Awaasif (now back at her peak after a minor setback) deserves to carry the hopes of anyone concerned over the future well-being of British racing.

For further major successes, such as a win in the "Arc" for the Maktoum family, can only encourage them to maintain or increase their already-massive investment in what would otherwise be a fairly drab and impoverished sport in this country.

The most prodigious supporters of English racing, the Maktoums now regularly outbid the Robert Sangster syndicate when it comes to the most prized yearlings in America and, thankfully, they still prefer to send the cream of the American yearling crops to Britain.

It was back in July that Sheikh Mohammed went to $10m for a yearling before outbidding Robert Sangster. That animal, too, is destined for John Dunlop's Arundel stable.

Trevor Bailey looks at a soccer mystery

From an eyrie in Ipswich . . .

WHY CAN'T we produce a winning England soccer team? This question is echoing round the terraces now the 1983-84 season is underway and our only international result is a boring 1-0 defeat by Denmark.

Denmark beat us because they produced greater craft and imagination. And maybe one of the reasons for the Wembley disaster is the long, hard, physical slog of English League football.

Three days after watching the Denmark match, I went to Ipswich for the match with West Bromwich. From my seat, which was more an eyrie than a Press box, I saw a rousing all-action battle with seven goals and numerous near misses which made Wembley seem like the local recreation ground.

Cyril Regis (left) and Gary Thompson

So what is wrong? It has been suggested that manager Bobby Robson employed the wrong players, the wrong tactics and the wrong formation.

The players have been blamed for lack of ability, ideas and conviction; the defence was too ponderous, the halves not sufficiently inventive and the forwards made little, if any impression.

The league system, coaching techniques and Don Howe have also come under attack. Although there may be some truth in these suggestions, its doesn't explain why England with the largest, and the most demanding football league in the world, have so much difficulty in fielding a national eleven good enough to win trophies.

At Ipswich I admired the home team's central defenders, Butcher and Osman, a rugged dependable pair, strong in the air and tackle, if somewhat lacking in the finesse usually required at international level.

They did an adequate job against Denmark, so one expected them to contain the two big West Bromwich strikers Regis and the promising Thompson without difficulty. Quite the reverse occurred.

Regis and Thompson remind me of two highly mobile black tanks. They possess far more control than is sometimes realised, as well as the physique required to ride a tackle, and they caused so much confusion every time they had the ball that it was hard to believe they were being marked by the two best English centre backs.

Regis scored a highly spectacular goal, was largely responsible for two more and gave a most impressive performance. As an added bonus one had the opportunity of comparing him with the man currently wearing the No 9 shirt for England, Mariner, who also had a splendid match.

The Ipswich centre forward likewise scored once, led his attack adroitly, showed his ability as a "target man" and laid on some fine chances for his colleagues, but he is clearly not such a fine finisher as Regis.

Although Regis with the ball at his feet and running at the opposing defence is a magnificent sight, he is not so impressive off the ball.

The match was contested at such a frenetic pace that some mistakes and bad passes were inevitable. On the other hand every 15 minutes contained more good moves and excitement than the whole of that international at Wembley, because the accent of both league teams was on attack, rather than on defence and possession.

The moral of this is that English league football, where there are no easy gains, where results are all important and some managers are more concerned in their players sweating blood than seeking extra craft and new ideas is not the ideal preparation for the more sophisicated atmospbere of the international game.

And Bobby Robson may have too many competent players to choose from, but not enough world-class performers—there is a big diffrence between a good club footballer and the genuine international.

The size of his possible pool and the competition for places also means that it is hard for him to instil the passion which is such an important ingredient and much easier to obtain in the necessarily small squads of Northern Ireland and Wales.

But the real recipe for our success at international level would be a 16-team First Division.

Jefferson Smurfit slumps 53% as price levels fall

AGAINST A backround of poor trading conditioos, pre-tax profits of Dublin-based Jefferson Smurfit Group dived by some 53 per cent from I£5.57m to I£2.61m in the half year to July 31 1983. Mr M. W. J. Smurfit, the chairman of this packaging, printing and distributioo group, says the results are about as expecied by the management.

The price deterioration whicb was evideot during 1982 in nearly all the group's product areas continued into the opening half of 1983 at a somewbat faster rate and, as a result, it was forced to sell many of its products at betow full cost.

Mr Smurfit reports, however, that prices are now firming, particularly in the U.S., although it will be aometime in 1984 before the levels previously experienced will be re-established and improved upon.

While he is coofident thst the worst is behind the group, the problema of the first oix months have cootinued into the third quarter, and any improvemeot can only be expected now in the fourth period. The chairman therefore does not anticipate any worthwhile recovery uotil 1984, when operating rates in the paper industry are expected to be higher than currently.

Looking further ahead, the demand/supply profile for liner board still looks encouraging, be says, and if the expecied improvement in world economies materialises, the group is hopeful of more realistic pricea wbich would result in increased profitability not only in the U.S., but in the UK waste based mills.

Despite the fall in profits, tbe board intends to maintain the interim dividend (inclusive of any ACT payable). Last year's Interim wss 1.406p net. It is however, proposed to postpone the payment date from January 1 to March 1 in order to eslablisb the result of the full ACT review promised by the Minister of Finance.

The board is presently considering the possibility of redeeming the preference currency nnits in the light of the adverse effects of ACT, but until tbe results of the review are known, no final decision will be taken.

First-half sales rose by 34.5 per cent to £349.7m (£259.9m). Attribntable earnings declined from £5.96m to £2.48m and sarnings per sbare were 1.5p (4.6p).

See Lex

DIVIDENDS ANNOUNCED

	Current paymeot	Dste of payment	Corresponding div.	Total for year	Total last year
Fitzwilton	1§	—	1.5	2	3.5
Charles Hurst ...... iot.	2	—	1.33	—	3.58
Macallan-Glenlivet ... int.	2.25	—	2.25	—	7.15
Midland Inds. ...... int.	Nil	—	1.1	—	2.6
Oilfield Inspection int.	1.1‡	Nov 9	1	—	2.3
Soton. IoW Steam ... int.	3	Nov 23	2.5	—	9
Throgmorton Sec. Trust	2.15	Nov 25	2.05	2.79	2.66
Tootal ...... int.	1.1	—	1.1	—	2.35
Triplevest ...... int.	4.01	—	4.15	—	7.37

Divideods sbown peoce per sbare net except wbere otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rigbts and/or acquisition issues. ‡ USM stock. § In Irish pence tbrougbont.

Recent tenders oversubscribed

TWO RECENT OFFERS for sale by tender have heen oversubscribed. N. M. Rothschild sponsored the issues, which are both beaded for full Stock Market listiogs.

Atlantic Computers' offer of 6m shares at a minimum price of 170p received applications in respect of 18.4m shares. The striking price is 230p per share, capitalising Atlantic at £55.2m. The offer was covered 1.9 times by applications st, or above, the striking prire.

Applicstions of up to 1,000 shares in Atlantic will be allotted in full, while for up to 1,500 shares the allotment will be 1,000 shares. Applications for more than 1,500 shares and up to 250,000 shares, will receive balf of the number applied for; and for more than 250,000 shares the sllotment will be about 40 per rent of the application.

Renounreable letters of acceptance will be posted to sucressful applicsnt on October 4, and dealings will begin on the following day.

N. M. Rothschild's offer of 3.7m shares in Coln Industries, at a minimum tender price of £1 per share, was only just oversubscribed and the striking price is 105p. This capitalises Coln at over £12m. Applications for up to 50,000 shares at, or above, 105p will be allotted in full at the striking price. And applications for more tban 50,000 shares will be allotted oo average 88 per cent of the number applied for.

FKI Electricals

FKI Electricals, the electrical and electronic engineering company, is moving from a USM quote to a full listing. The company which joined the USM a year ago, has appointed Panmure Gordon as brokers.

Panmure Gordon will be placing 16m FKI shares, currently held by the directors, with its institutional clients.

Fitzwilton finishes year 25% down at I£0.6m

AN INCREASE in secood-half pre-tax profits at Fitzwilton, Dublin-based investment company, was not enough to offset the interim shortfall and resulted io s full year total of I£561,000, some 25 per cent down on the previous year's I£748,000.

For the secood six months to June 30, 1983, profits rose by 4 per cent to £213,000 against £205,000.

In line with a conservative dividend policy the directors cut the interim distribution by balf to 1p, and they have now declared e final of 1p, down a third from the comparable 1.5p, for a total payout of 2p (3.5p).

Mr Tony O'Reilly, cheirman, says that the trading performsoce of the textile busiosss was outstanding and Goulding Chemicals returned to profit.

In the year under review turnover iocreased from £5.42m to £5.62m but trading profits emerged down at £261,000 compared with £448,000. Contributions from associates dipped by £5,000 to £484,000. The overall taxable result was struck after interest payable of £185,000 against £189,000.

Tax took £123,000 (£169,000) giving esrnings per 25p share of 2.01p (2.52p). There was a minority credit thia time of £35,000 (debit £1,000). Extraordinary debits for the year, being mainly disposals of associates, totalled £379,000 (£62,000).

The accounts have been qualified by the auditora in respect nf an Investment in Atlantic Resources, and the inclusion of unaudited management accounts for certain associste companies in respect of the second six months.

Triplevest

The net asset value per capital share of Triplevest, investment trust, rose to 745.75p, during the six months to August 31 1983, from the 628.25p value as at February 28.

Pre-tax revenue for the period was £1.43m (£1.55m)

The interim divideod is 4.014p per income sbare against 4.145p.

Macallan-Glenlivet 27% higher after six months

TAXABLE PROFITS of malt whisky distiller, Macallan-Glenlivet, rose from £246,000 to £313,000 for the first half of 1983. Full year results are expected to be slightly ahead of the previous year's £503,000.

The directors say the 27 per cent advance in half-year profits is partly a reflection on the company's ongoing efforts to reduce costs and overheads. Some of the improvement also arose from the sales of mature whisky. Bottled sales of the Macallan continue to grow successfully.

The interim dividend is maintained at 2.25p per 25p share—last year's total was 7.15p.

At the trading level, half-time profits were ahead from £668,000 to £726,000. These were struck before leasing rentals of £86,000 (same), interest charges of £234,000 (£252,000) and e £93,000 (£84,000) depreciation charge.

Turnover increased from £1.87m to £2.08m.

Tootal drops to £4.5m in first half

A DOWNTURN in UK profits coupled with associate company losses left overall pre-tax figures of Tootal Group lower at £4.47m for the balf year to July 31 1983, compared with £5.98m last time. Turnover of this thread and textile manufacturer dropped from £198.4m to £193.75m.

However, firmer treods since the beginning of the second quarter, when compared with s year ago, lead the board to expect some improvement in profits for the 12 months ending January 1984.

The net interim dividend is maintained at 1.1p per 25p share—lest year e total of 2.35p was paid on taxable profits of £14.9m.

First-half trading profits fell by £1m to £10.08m, although the overseas contribution was marginally ahead at £4.59m (£4.44m). UK profits were depressed by those companies exporting to Africa.

Central expenses decreased from £1.54m to £1.16m snd intsrest charges were down from £5.25m to £4.43m, but there was a share of associates' losses this time of £15,000 (£782,000 profits).

The board reports that the Australian associate, Bradmill Industries, bas agreed terms for the sale of three of its yarn/fsbric businesses, thereby reducing its involvemsnt in the manufacture of basic textiles. These businesses overall are said to bave performed badly in an unattractive sector.

The sale of Bredmill, together with the withdrawal from uneconomic towel manufacture in the UK and the closure of the menswear operation in South Africa have resulted in a sharp increase in extraordinary debits st the half year from £381,000 to £6.52m.

The mid-year tax charga was reduced from £2.53m to £1.44m and minorities took £710,000 (£729,000). Stated earnings per 25n shsre rose by 0.3p to 1.3p.

The board says that significant economies introduced into the overseas operations produced increased profitability in the U.S. However, the benefits of similar action in South Africa and Australia has to date been outweighed by tbe effects on the textile industry of tha recession in these two countries.

● comment

The performanre of Tootal's South African and Australian businesses continues to tumble in lioe with their economies and were a major factor in the group's 13.6 per cent pre-tax profits decline. So it is a relief to see a withdrawal from the worst loss makers in those countries, even if it did take £4m of a £6.5m extraordinary loss. The rest of that charge comes from the closure of UK towel manufacturing after an unequal struggle against cheap imports. Among the overseas subsidiaries, American Thread showed a major improvement thanks to the kind of cost-cutting and management shake-up which has so benefited the UK side. All this leaves the worst of Tootal's reorganisation behind it and should allow a steep profits recovery in the current half to around £17.5m, up from £14.94m, helped by a continuing reduction in head office costs and an improvement in U.S. and UK trading conditions. At yesterday's price of 33p, down 1p, the historic yield is 10.5 per cent.

Automated Security in two deals worth £2.2m

Automated Security Holdings (ASH), the fast-growing alarms group, yesterday announced a further expansion of its alarms and security tags business in two sepsrate deals worth a combined £2.22m.

ASH will pay £1.15m for Tag Radionic's shareholding in Securitag International (STIL) and for Tag's rights in respect of an agreement with Elint Corporation and Security Tag Systems Inc (STSI) of Tampa, Florida. This includes the right to receive certain payments from the Tampa company.

The acquisition of Tag's one-third stake in STIL takes ASH's holding to two-thirds. ASH has also agreed, however, to sell a number of STIL sbares to STSI at a later date to give the two companies half shares each in STIL.

ASH will pay £1.05m by the issue of shares, 743,000 of which will be placed through the market, and a further £100,000 later when certain conditions have been satisfied.

ASH has also required Cheshire Alarm Services for £1.07m in shares. Chesbire made a pre-tax profit of £2,700 in the year ended March 31 1983 and had oet assets of £39,900. It owns and maintains about 2,200 intruder and fire alarm systems, mainly in the Manchester area.

The purchase price has been based largely on the income Cheshire expects from cutomers under rental and maintenance agreements.

Arrangemsots have been msde with Energy Finance and General Trust and Greene and Company to place 757,000 shares through the market with several institutions.

The acquisition bas been carried out by a fully-owned ASH subsidiary, Modern Automatic Alarms, and Cheshire will be integrated into Modern's security rental division.

Earlier this year, in two separate deals, ASH took 50 per cent stakes in two companies, D. P. Advisers (Holdings), which operates a computer bureau and designs and markets software products, and Scantronic, a manufacturer of digital communication equipment for central station alarms.

ASH increased pre-tax profits from £1.2m to £1.51m in the six months ended May 31, 1983 on turnover of £11.32m against £9.13m.

Dixor-Strand suspended for merger talks

The directors of Dixor-Strand, a small quoted cosmetics manufacturer, called a halt to trsding in its shares yesterday. At 32p the equity is capitalised at £2.65m.

The company, which is controlled by its management, is in talks with Henna (Hair Health), another company controlled by Mr S. Lerner, Dixor's managing director and principal shareholder. It is intended to merge the two.

After an unimpressive record in the 1970s Dixor collapsed into losses in the year to October 1979. The company staged a recovery in 1982 with pre-tax profits of £99,000 but the balance sheet was under strain. At September 1982 a £494,000 deficit on revenue reserves left shareholders funds £263,000 after a £177,000 property revaluation surplus. Borrowings stood at £409,000.

In the hslf year to March 31, 1983, profits rose from £11,000 to £142,000 on sales increased from £338,000 to £1,194,000. Again there was no dividend. No payout has been made since 1978.

Mr N. Davis, chairman, reports continued progress.

KCA Intl. to acquire a 29.9% stake in Candecca

KCA International, the oil group, is to purchase 11.7m (29.9 per cent) shares in Candecca Resources, the USM quoted oil and gas group, from Sceptre Resources for £18.8m.

The deal reduces Sceptre's holding in Candecca to 5 per cent.

KCA International is to pay Sceptre, e Canadian oil group, 160p per share in casb over a period of four months. This represents s 5p premium on Candecca's sbare price wbich rose 10p yesterday to close st 155p.

The deal is conditional on the comoletion of the prooosed management buy-out of KCA Drilling from KCA International by Rossbold for £22.2m.

Rossbold has already agreed to purchase the 75 per cent staka in KCA Drilling from KCA International in a deal financed by Chemical Bank International for £15.4m in cash and lean notes worth £6.8m.

Chemical Bank, acting on behalf of Rossbold in the proposed management takeover of KCA Drilling, has received acceptances of 3.8m sbares of both ordinary and deferred, equal to 4.8 per cent of both classes.

The deal between KCA International and KCA Drilling is expected to be completed on October 5.

FRANCIS INDS.

Suter has acquired e further 100,000 shares in Francis Industries, raising its stake in the company to 1.1m shares, or 9.9 per cent of the issued capital.

BEAZER BRICKS DEAL

Westbrick, a subsidiary of C. H. Beazer Holdings, has acquired from Bowater Cressley Bricks, three brickworks together with certain plant and stocks for approximately £3m cash.

F. H. LLOYD

F. H. Lloyd Holdings, the Midlands-based foundries, steel and engineering group, bas acquired a 40 per cent stake in Lee Beesley Holdings, for a consideration of £522,533.

Lee Beesley, was founded in 1907, and is one of the country's leading mechanical and electrical engineering contractors, with 14 regional offices.

A. & C. Black buying three publishers

A. and C. Black has agreed to purchase the publishing assets of EP Publishing (specialising in books on sport and leisure activities), Autobooks (publisher of car manuals) and The British Trades Alphabet (publisber of sponsored books, educational materials and study cards for schools). All three companies are subsidiaries of Seymour Press Group, itself a wholly owned subsidiary of Britannia Arrow Holdings.

The consideration will be determined jointly by the purchasers and vendors suditors following s check of the physical stock of the three companies as at September 30, 1983, but will not exceed £1.15m. Of this £100,000 is attributable to the goodwill of the British Trades Alphabet and the balance to physical stock and work in progress.

For the financial year 1982, the three companies to be acquired had a combined turnover of £1.82m and produced a combined marginal loss. However, rationalisation savings anticipated from the integration of their activities with those of Black are expected to make a significant contribution to its profits.

Consideration for the acquisition will be made up of 200,000 new ordinary shares of Black and the balance in cash.

DALGETY OFFERING £1M FOR BRITISH SOYA PRODUCTS

Dalgety bas reached agreement to reached agreement to acquire British Soya Products. The offer is recommendad unanimously by the directors of BSP who will be accepting in respect of their own holdings of 2.7 per cent of the capital.

The consideration, which values BSP at around £1m, will be in the form of 17 ordinary shares of Dalgety for 10 ordinary shares of BSP. A cash alternative of £6.75 per sbare will also be available.

Both BSP and Dalgety, through its subsidiary company Soya Foods, produce and supply soya flours and soya based products for the baking and food processing industries.

BSP will continue to operate its factories at Standon and Royston, Hertfordshire. Production, currently carried out by Soya Foods Limited at its factory in Bermondsey, will eventually be integrated with that of BSP.

MICROGEN

At an extraordinary general meeting of Microgen Holdings, a resolntion to approve the acquisition of the Systemset division from Baric Computing Services was passed.

The acquisition has now been completed and the total consideration paid was £1.23m — satisfied by the allotment of 320,641 new ordinary shares.

REYNOLDS

Takeover bids by Asia Oil & Minerals for Pennant Pacific Resources, and by Pennant Pacific Resources for Reynolds Diversified Corporation are both now unconditional.

The RDC rights offering has been fully subscribed at $11.25m, Jackson Graham Moore and Partners having underwritten all shares not taken up.

AOM now owns 86.7 per cent of PPR and PPR owns 94 per cent of RDC. The issued capital of AOM comprises 200.55m ordinary shares and 65.46m options.

AOM is a precious metal and oil and gas exploration company in Australia. PPR is a Toronto-based precious metal exploration company.

BREMAR TST AGREES HONEYFALL SALE

Bremar Trust bas agreed with Mr R. J. Frost, the company's chief executive, for him to acquire 51 per cent of the voting shares and 30 per cent of the dividend shares in Honeyfall, a company which operates 49 petrol stations.

Bremar presently owns 49 per cent of the voting shares and 50 per cent of the dividend shares of Honeyfall. The consideration is £750,000 to be satisfied by 750,000 ordinary sbares of 25p each in Bremar.

Mr Frost has an option agreement with third parties to acquire the remaining 20 per cent dividend shares in Honeyfall and has agreed to assign this option agreement to Bremar for a nominal consideration.

Following completion of this transaction, Mr Frost and his family will own 2.05m ordinary shares of Bremar being 25.84 per cent of the ordinary share capital as enlarged for the acquisition of Honeyfall.

The Bremar board was advised by Laurence Prust and Co.

McKECHNIE GROUP

McKechnie Metals, a subsidiary of McKechnie Group, has acquired from IMI its subsidiary, IMI Rod and Wire (1983), and changed the name of this company to McKechnie Rod and Wire.

JOHN KELLY

Five directors of John Kelly and Son, the Edinburgh based industrial and commercial kitchen engineer, have completed a deal in excess of £500,000 for the purchase of the company.

Established in 1840, the company was a family business until 1972, when it was bought over by Scottish Homes Investments Company and ultimately by an Edinburgh based property company, International Caledonian Assets.

SEDGWICK GROUP

Sedgwick Alexander Inc the Canadian insurance broking company in which Sedgwick Group has a 51 per cent interest has acquired the business of Sheppard, Downing and Coleman Insurance Service of Edmonton, Alberta.

Revenue of Sheppard, Downing and Coleman in the year ended June 30 1983 amounted to approximately C$650,000 (£350,000).

HARTONS GROUP

Following a purchase of 63,500 ordinary shares in the Hartons Group, Mr M. Maimann, his family and associates are now interested in 16,413,102 ordinary, equal to 61.25 per cent.

Mr Maimann's share of the purchase was 11,000 ordinary which lifts his interest to 3,386,350 (12.64 per cent).

SIMON/DRAKE

Of the offer by Simon Engineering for Drake and Scull Holdings, cash elections have been made in respect of the equivalent of 7.04m existing ordinary shares and share elections have been made in respect of the equivalent of 2.68m.

Accordingly, those shareholders who made cash elections will receive some 34 per cent of the additional cash for which they elected and shareholders who made share elections will receive all of the additional Simon shares for which they elected.

GROVEBELL IN £275,000 DEAL

One of Grovebell Group's wholly owned subsidiaries has purchased from the receiver of Victor Horsman, a garage company, long leasehold property (with 962 years to run) at Speke, Merseyside, for the sum of £250,000.

Additionally, Grovebell's subsidiary bas agreed to purchase certain plant and equipment located in the buildings on the leasehold land for the sum of £25,000.

The total consideration of £275,000 will be satisfied on completion in casb from Grovebell's resources.

A franchise for the sale of Vauxhall vehicles has been secured in respect of tha site and Grovebell's subsidiary will commence operations shortly.

GREENFIELD LEISURE

Greenfield Leisure is acquiring East Midlands Wholesale Chemist Supplies and Rock Bottom Discount Stores, wholesalers and retailers of household goods, toiletries, toys and stationery.

The aggregate value of tha consideration, payable in cash, is £275,000.

BP Australia

The directors of BP Australia say that an increase in the first-half net loss from A$27.98m to A$74.31m was due mainly to a fall in the contribution from the group's oil trading activities.

Reduced demand for petroleum products, severely increased competitive pressure and led to a decline in net proceeds, they say.

Also, the directors say that the exploration expenditure written off and interest expense and exchange losses, totalling $95.7m against $94.8m continued to have a detrimental effect on the results.

Turnover for the six months to June 30 was $1.16bn, down from $1.21bn. Other income totalled $9.64m against $7.21m.

The net loss was after tax of $2.15m (credit $11.05m), interest $48.93m ($40.06m), depreciation $44.84m ($27.07m), and a minority loss or $1.14m (profit $56,000). Last time there were extraordinary items of $6.31m.

The company is wholly-owned by the British Petroleum company.

Toye

Interim pre-tax profits of Toye & Co increased from £20,000 to £131,000, and the directors say that the buoyant first half trading conditions have continued into the second half.

However, they say that there is still some way to go before trading approaches normality. But, they add that the marginal upturn, with increased enquiries and orders, leads them to be hopeful that there will be a further improvement in the trading situation by the year end, and that it will be maintained into 1984.

Turnover, of this manufacturer and seller of civil and military regalia, trophies, and jewellery, for the opening half was up at £3.2m against £3.1m.

With net profits at £90,000 (£20,000), after tax of £41,000 (nil), earnings per 25p share, for the first balf, were 3.97p (0.9p).

For 1982 the company made a £130,000 (£44,000) profit at the pre-tax level, with turnover at £6.2m (£7.3m), and paid an unchanged single 1.75p net dividend.

S. Pearson pays £5.7m for U.S. publisher

Longman, the publishing company which is part of the information and entertainments division of S. Pearson & Son, has spent around $8.5m (£5.7m) on the purchase of Federal Publications Inc of Washington DC.

Of that sum, $1.5m—on which quarterly interest will be paid—is not due until 1987. The acquisition is being made through Development Systems Corporation of Chicago, a publisher bought by Longman last year.

Federal Publications produces material on construction, contracting and U.S. government procurement and arranges seminars on a wide range of professional subjects.

Longman said yesterday that the purchase gives it a strategically important Washington base and fits in well with its objectives in business and professional publishing in the U.S.

Meyer selling DIY offshoot for £4.7m

Meyer International has reached agreement for the sale of its wholly-owned subsidiary, A. Dicken and Son (Tees-Side), to a company controlled by Mr A. G. Dicken, the present managing director of Dicken, and his associates.

The principal activity of Dicken is the retailing of DIY and leisure products from its branches at Stockton (Cleveland) and Newcastle-upon-Tyne.

The total consideration for the sale is £4,700,000, and will be satisfied in cash.

As at July 2 1983 net assets of the Dicken Group were shown as £4.17m. For the period covering January 1 1983 to July 2 Dicken's net profit before tax was £454,274, compared with £661,449 for the year to December 31 1982.

BERADIN HDGS.

Czarnikow Group, on September 27, sold its holding of 1.49m shares in Beradin Holdings (10 per cent).

Anglo American Agricultura bought 742,500 shares in Beradin on the same date (5 per cent).

Wingate Property

Wingate Property Investments, whose 25p shares are traded on the Unlisted Securities Market, returned pre-tax profits of £350,000 for the first six months of 1983 and is paying a net interim dividend of 0.5p.

The figures compare with the £424,000 earned over the previous 12 months but in accordance with the issue prospectus no dividend was recommended for that period.

Gross rents receivable for the half year under review amounted to £990,000 (£1.63m for period). Tax accounted for £140,000 (£97,000) and earnings emerged at 1.6p (3.39p) per share.

Ben Bailey higher

Attributable profits as Ben Bailey Construction, the South Yorkshire house builder and estate developer, rose from £82,000 to £231,000 in the year to June 30 1983. This was after all charges, including tax of £77,000—there was a credit of £4,000 last time. Turnover for the year was up from £5.21m to £6.2m.

The final dividend is raised from 0.56p to 0.8p net for a total up from 0.81p to 1.2p, and stated earnings per 10p share improved from 1.58p to 4.42p.

The directors say both the merchanting and house building divisions are now trading satisfactorily in a competitive market. They say profitable expansion is being sought throughout the group.

Duncan & Goodricke

A steady expansion of banking profits, combined with profitable sales of investments by the banking service subsidiaries led to a surge in pre-tax profits at investment holding company Walter Duncan & Goodricke from £36,000 to £540,000 in the first half of 1983.

However, the directors do not expect this level of profitability to be equalled in the second half, though they are confident the dividend payment will not be less than 12p net per £1 share paid in respect of 1982.

Warehousing yielded a small profit and the directors anticipate that the full year's results will be similar to this.

Assessments raised by the Indian revenue authorities have only recently been settled and it is not possible to quantify the ultimate group liability in this connection at this early stage, the directors add.

First-half turnover slipped from £2.11m to £2.07m and after tax of £71,000 (£8,000), earnings per share are given as 26.69p (0.86p). Minority interests came to £2,000 (£3,000).

In 1982 the company made pre-tax profits of £549,513 (£675,434).

Results due next week

Currys Group figures for the six months to July 28, due to be announced on Monday, should show pre-tax profits of about £6.5m—which includes profits from property sales—compared with £3.89m for the same period last year. Currys is still benefiting from the continued boom in consumer spending on durable goods. Sales volume should be up by around 15-20 per cent this year and margins could he pushed up on average by about 1 per cent. Sales of video cassette recorders and other home entertainment equipment are still providing the momentum. On the white goods side, although sales are holding up, margins may well have been trimmed a bit by competition. On the TV rentals side, the return on Currys initial investment should now be coming through.

The Sears Holdings interim results for the six months to July 31, out on Tuesday, should show published pre-tax profits up to around £45m as against £35.2m in the comparable period last year. Almost all the group's divisions should come in with improved figures. The British Shoe subsidiary is expected to benefit from a large increase in sales volume and in net margins and the Olympus Sportswear chain will show steady growth. William Hill, the betting division, should significantly push up its figures this half as the uncertain weather appears to have reduced the propensity of the favourite to come home first. The hot summer weather combined with the influx of American tourists has boosted the department store side, which includes Selfridges and Miss Selfridge.

Yesterday's poor figures from Rugby Portland's Australian subsidiary point to a profits downturn for the group as a whole when it announces its figures for the six months to June 30 on Monday. Sagging demand for building materials pushed Cockburn Cement's profits down 28 per cent to A$2.5m before tax. At home, volumes should have picked up, although cement prices remain under pressure from cheap imports. But the conversion of a second kiln to energy efficient production may do something to protect margins. Meanwhile, the Rom River steel reinforcement business is unlikely to have pulled into the black. Analysts are expecting around £10m pre-tax against £11.3m at the previous interim stage, with a maintained dividend of 2.6p net.

The steep decline in U.S. steel production and casting activity which hit Foseco Minsep so hadly last year has since reversed. But the improvement has so far been slow and patchy, so the City is expecting another downturn—from £9.3m to around £7.5m pre-tax—when the group announces its results for the six months to June 30 on Monday. Meanwhile, loss elimination from the disposal of the Unicorn business should start to show through, as should the benefits of restructuring the Japanese foundry activities. Any increase in the dividend seems unlikely, at least until the recovery gets more strongly underway, perhaps in the second half.

Freemans interim results for the period to August 1983 are due out on Monday and the main interest will centre on any accompanying statement referring to the crucial second half. The indications are that the revival in retail sales is at last filtering through to the mail order companies—and if this is confirmed analysts will have to reassess their cautious outlook. Meanwhile, in waiting for the upturn, Freemans has been busy trying to control the uncomfortable level of bad debts by reducing the number of its agents and being more selective in recruiting new ones. Analysts are generally looking for a little changed interim announcement, with a more buoyant second half pushing pre-tax profits up from £6.36m to over £7m for the year. The dividend should be maintained.

Arthur Bell and Sons is expected to announce its preliminary results for the year ended June 30 1983 on Tuesday, against a background of difficult trading at home, where it has undoubtedly lost some market share. In Europe, too, conditions have been difficult but the company has probably fared quite well there, if only because its brands are well established. The company has already warned that second-half profits cannot be expected to match the first-half increase because of the losses incurred in the glass container division. Consequently, analysts have generally downgraded their forecast slightly to around £31m pre-tax, against £27.6m last time. They expect the dividend to be up to 3.9p (3.4p) net, adjusted for the scrip.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
AB Electronics	Monday	—	—	—
Amstrad Consumer Electronics	Wednesday	0.935	1.435	1.12
A. Beckman	Tuesday	1.95	3.78	1.95
Bell, Arthur	Tuesday	1.0625	2.375	2.0
Canadian Overseas Packaging Inds Ltd	Thursday	—	—	—
Dunton Group	Wednesday	—	—	—
FII Group	Monday	1.54	3.5	1.54
Goodwin	Monday	—	0.53847	—
Land Investors	Wednesday	0.2	0.8	—
Lister and Company	Monday	—	0.1	—
Mitchell Cotts	Thursday	1.5	2.12	1.5
Precious Metals Trust	Wednesday	—	0.5	—
Reino Industries	Tuesday	0.1	0.3	0.17
Renishaw	Wednesday	—	—	—
Save and Prosper Sterling Deposit Fund	Wednesday	—†	0.25	—
Sharpe, Charles and Company	Thursday	4.12	4.12	4.12
Somportex Holdings	Tuesday	—	1.5	—
Unigroup	Thursday	—	—	—
Young (H.) Holdings	Wednesday	—	—	—
INTERIM DIVIDENDS				
Anglo American Investment Trust	Thursday	150‡	440	
Bardsey	Friday	—	0.1	
Bonlax Holdings	Thursday	—	0.5	
Bullen, Percy	Monday	3.5	—	
British Syphon Industries	Tuesday	1.0	0.5	
Bronx Engineering Holdings	Thursday	0.25	0.79	
Brunton (Musselburgh)	Thursday	4.25	6.25	
Cape Industries	Tuesday	1.7	3.8	
Christies International	Tuesday	2.0	5.0	
Clarke, Nickolls and Coombs	Monday	1.75	3.25	
Clifford's Dairies	Tuesday	1.8	3.6	
Comfort Hotels International	Monday	0.2	0.45	
Crowther, John Group	Wednesday	—	—	
Currys Group	Monday	1.0	5.75	
Downiebrae Holdings	Friday	—	0.3	
DWEK Group	Monday	—	—	
Elbar Industrial	Tuesday	—	—	
Foseco Minsep	Monday	2.65	4.35	
Freemans	Monday	1.9	2.25	
Glossop	Monday	1.576	3.508	
Halstead, James Group	Tuesday	1.25	1.75	
Hambro Life Assurance	Wednesday	4.025	9.375	
Henriques, Arthur	Friday	0.5	1.0	
Hewden-Stuart Plant	Thursday	0.875	0.5	
Hinga and Hill	Wednesday	3.25	5.75	
Holt Lloyd International	Thursday	1.5	1.67	
House of Lorcsa	Wednesday	3.0	4.6	
Jersey Electricity Company	Monday	4.0‡	11.0	
Johnston Group	Thursday	2.0	2.0	
Laing Properties	Wednesday	2.0	3.0	
Lamont Holdings	Monday	0.4	0.9	
London and Manchester Group	Friday	4.34	5.31	
Lyle Shipping	Friday	4.5	3.0	
Martin, Albert Holdings	Wednesday	0.75	1.25	
Melins	Monday	2.2	5.7	
North British Canadian Investment Co	Friday	1.75	3.6	
Reed, Austin Group	Thursday	1.0	3.6	
Ruberoid	Thursday	1.6	4.0	
Rugby Portland Cement	Monday	2.6	2.9	
Sears Holdings	Tuesday	0.5	1.4	
Silentnight Holdings	Monday	1.0	1.5	
Silkolene Lubricants	Thursday	2.0	5.0	
Spear and Jackson	Thursday	1.0	—	
United Guarantee Holdings	Thursday	0.25	—	
United Newspapers	Tuesday	7.5	5.0	
Watts, Blake, Bearne and Company	Tuesday	1.42	2.33	
Sinkas Restaurants	Monday	—	—	
T.R. Pacific Basin Investments	Monday	—	—	

* Dividends are shown net pence per share and adjusted for intervening scrip issue. † In cents. ‡ Per share gross.

هكذا من الأصل

'You need guts ... and a bit of luck'

EIGHT MONTHS AGO, Alan Dickinson left his job, withdrew his savings, borrowed from the bank, took out a second mortgage and started to gamble. Not on the horses or roulette, but on the direction of interest rates.

Dickinson became the first self-financing individual to take a seat on the London International Financial Futures Exchange (Liffe), London's newest City institution, which celebrated its first birthday yesterday.

"It's a risky business," he says, "and you have to be prepared to take some nasty knocks, but with guts and determination and a bit of luck you can make a go of it. It's the only place in the City where you can set up your own operation without too much capital."

But gambling is not supposed to be Liffe's primary function. It hopes to become the market in which conservative businessmen can "hedge" their future financial risks (see panel). How successful has it been as a market in its first year?

The average daily volume on Liffe is now around 6,000 contracts — more than the Liffe board predicted at the outset but less than many optimists had hoped for. However, volume is rising steadily and with any luck, a virtuous circle will prevail — the increase in liquidity will tempt more participants into the market, which will create more liquidity, and so on.

The experience of the individual contracts has been mixed. The three interest rate contracts — the long gilt, and the three-month Eurodollar and sterling deposits — have been reasonably active, with the best volume being seen in gilts and Eurodollars.

On the other hand, the four currency contracts — sterling, yen, D-Mark and Swiss franc — have been singularly unsuccessful. On some days no yen or Swiss franc contracts have changed hands at all.

One problem is that the Liffe currency contracts are too small to be of any great interest to the banks, which use the sophisticated London interbank forward currency market instead. At the same time the companies or individuals for whom Liffe contracts are intended have not yet learned the market know-how to use them.

Another problem is that the biggest outside players in the gilt contract should be the pension funds, but a clause in the Finance Bill, which would have enabled them to hedge with futures without paying tax on any profits from trading, fell with the June election.

Likewise, insurance companies would like their tax position clarified before venturing into the market. Building societies need special permission from Parliament to use the Exchange, which so far they have not sought.

Perhaps the main problem, though, is the conservatism of the British. As one jobber put it: "The taxi-driver punter will put 10 quid on the 2.30 at Newmarket rather than gamble on the Stock Exchange."

Compare that with Chicago, where half the daily volume comes from "locals" or individual speculators, who provide the rapid turnover of contracts that ensures liquidity.

Liffe's membership, on the other hand, is composed mainly of financial institutions. If more local speculators were willing to take on risk and provide a fast turnover, the true hedgers—like corporate treasurers or fund managers—would be tempted in.

James Wilmot-Smith is head of financial futures at Salomon Brothers International, which has been trying to sell the idea of hedging with futures to corporate clients. As he says: "It takes a tremendous amount of time to persuade people that by hedging risk with futures, they are actually reducing their speculative position."

Time is certainly an important factor. Even if treasurers are keen to use the market, they need to get board approval. Some have been doing dummy runs—pretending to take out a contract and watching its performance over a few months to see if the hedging operation works. Others are holding back until the market becomes more liquid. The rest may be put off by the alien idea of selling things they do not own, or the fear of being tainted with speculation.

Until volume picks up, trading on Liffe will not be very profitable. Few brokers so far have made money. "A lot of them will be pleased if they've broken even in the first year," says one floor trader. There was stiff competition for business at the outset and commissions were pared. Only now are they starting to creep up again.

Most members of the Exchange, however, are taking a two- or three-year view. They are not likely to pull out when the pickings may be rich later on. As volume increases, there will be less pressure on commissions and more opportunities to make money on trading.

So far, then, Liffe has no reason to lose heart. As Leo Melamed, founding father of the financial futures markets in Chicago, says: "It's a gargantuan task to create an exchange. You have to give it five years."

The Chicago markets took that long to gain real depth, yet already Mr Melamed is confident enough to say of Liffe: "It's on the right track. The feeling in the U.S. is that it will succeed, given time."

Melamed is an inveterate speculator and believes that the London Exchange needs more such people. When in London for a conference a few days ago, he could not bear to sell off his positions in Chicago, so he spent six hours in his hotel room on the telephone. "I'm trying to make at least enough money to cover the phone bill," he said with a grin.

Alan Dickinson, who reckons to buy and sell a couple of times a minute, says he gets "really hyped up about it." Trading on the floor is a pretty strenuous business and, at 30, Dickinson is probably five years older than most of his fellow pit dealers.

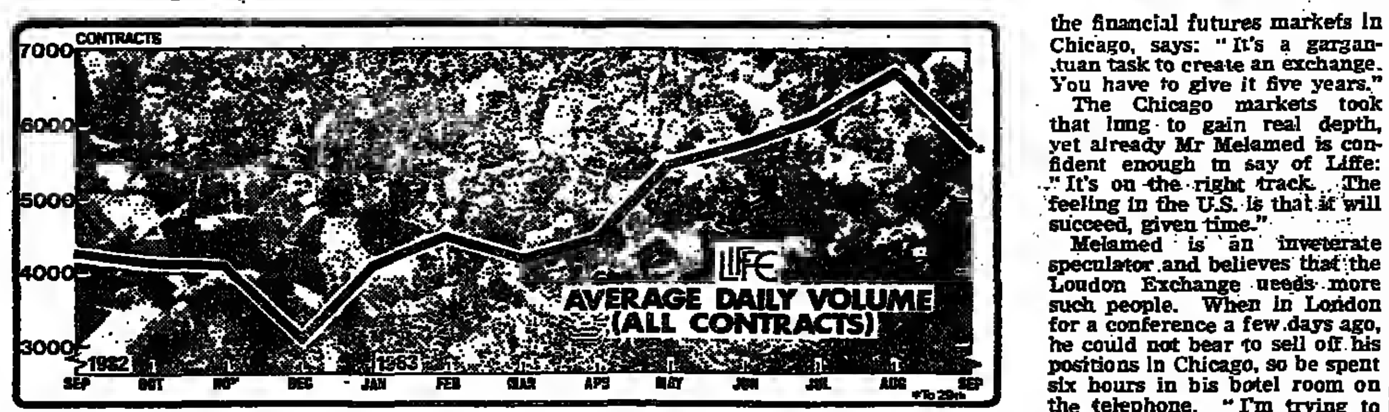
The camaraderie on the floor is obvious but is all the more surprising since the traders come from such varied City institutions—stockbrokers, jobbers, commercial, investment and clearing banks, money brokers and commodity houses. Liffe is probably the first exchange to involve so many pockets of the City and Michael Jenkins, its chief executive, is pleased to see that none has so far managed to dominate the action.

For the future, he is keen to find new products and new users. Three new contracts are to be considered: a stock index future, a Eurobond contract and a short gilt. Of these, Jenkins thinks the first two have the best chance of coming into play next spring, while the short gilt may have to wait until later in the year.

Next year, a new financial futures exchange is due to open in Singapore, which will allow contracts to be traded on a 24-hour basis. "Any future that is traded in more than one place will draw investment trade from the other exchanges," says Leo Melamed. "It's quite clear that we're going to have 24-hour futures."

The Chicago Mercantile Exchange is hoping to set up a global clearing system which will link the U.S., Europe and the Far East so that, for instance, a contract in Chicago can be liquidated from Singapore after the market has closed. This will obviously boost liquidity on Liffe.

All this could take years; but in the meantime the onus is on bankers and brokers to increase retail involvement in Liffe.



A FINANCIAL futures contract is an agreement to buy or to sell a particular financial instrument — for example a bond or a currency —during a future month, at a price fixed at the time of the contract. Such a contract can be held until the instrument has to be delivered, or it can be sold before maturity, or it can be matched with an opposite contract to "liquidate the position."

Financial futures have three purposes. They can be used for hedging, arbitrage or speculation.

Like any other commodity, money has a price, which can be expressed in terms either of other currencies (through exchange rates) or of its cost of borrowing (through interest rates). One of the functions of a futures market is to smooth out fluctuations in the price of a commodity by fixing it in advance.

Both exchange and interest rates have been increasingly volatile in the last 10 years or so. Financial futures provide a way of hedging against movements in these rates—they are, in effect, an insurance policy, enabling people to lock into today's known exchange or interest rates for transactions which they know they will have to undertake later, by which time these rates may have moved against them.

Such a market can also throw up arbitrage opportunities — between different futures contracts, the same contract on different exchanges, or between a futures contract and its underlying "physical" market. An arbitrageur will take advantage of local price differences by making two transactions which effectively cancel each other out but leave him with a small, almost risk-free profit.

The speculator or trader will use the market to gamble on the direction in which rates will move. If he thinks interest rates are going up, he will sell futures, hoping to buy them back at a lower price, and vice versa. Speculative activity is vital to a futures market, because it adds to the liquidity which the hedger needs.

Trading on Liffe is done by "open outcry" in which dealers gather in a ring and shout out what they would like to buy or sell. This has the advantage of visibility: everyone involved knows the prevailing price.

Other advantages of dealing in futures rather than "physical" markets are that it is cheaper (commissions are lower), and only a small percentage of the value of the contract needs to be paid, so the gearing is enormous. Deposits, or "margins," are typically less than 3 per cent of the face value of the contract. This means that huge gains can be made on a small down-payment—and so can huge losses.

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Profile of John Egan

The man who turned round Jaguar

By Kenneth Gooding

Mr. John Egan

THERE'S AN evangelical glint in John Egan's eye when he discusses Jaguar, the car company he helped save from the corporate knacker's yard.

And he becomes positively fervent when he talks about how some of the lessons from Jaguar's recovery could be passed on to other British manufacturers.

"There are no serious structural problems in British industry," he suggests. "Most companies don't have enough engineers. But that is relatively simple to put right.

"In Jaguar's case there's a simple question you have to ask today: Will 8,000 Brits work as hard as 8,000 Germans? That's not just the shopfloor people but engineers too—can they work as effectively as Germans?

"If you had asked that question in 1977 you would have had to answer: If that's what we need to survive, we might as well shut down at once.

"But things are different now. We know that as long as we can keep the group of employees we have now, with our heads down and trying very hard, we have a super future."

The message is a simple one. He believes British industry can be as good, if not better, than the Japanese and the Germans if it tries harder.

But industrial success stories are few and far between so the media, thirsting for good news, have given the Jaguar story a great deal of exposure. Mrs Thatcher and her Ministers frequently mention Jaguar as an example of what can be achieved in her more-efficient Britain. The charismatic Egan has been the focus of the attention and, as one cynic suggested, the impression has been given that he beats the cars out of the living steel with his own hand while banking the cheques from customers with the other.

In reality, like all good managers, Egan has selected his Jaguar management carefully and now believes he has put together the best team in the business at their particular skills.

That is why when the question of privatisation comes up—and Jaguar is likely to be one of the first bits of BL to be sold off—he says he believes Jaguar employees, from himself as chairman and managing director, down to the shop floor will have the opportunity to take a stake in the company.

"Senior people should own bits of their company because it stops managers fluttering from one company to another in search of higher salaries," he says.

Egan stresses this is a personal point of view and says he has no knowledge of what the BL Board and the Government have in mind for his company. It is they who must make the decision about whether and how the company should be sold off, not the Jaguar directors.

Egan looks something like a flyweight boxer. He is short, stocky, with close-cropped, curly grey hair.

His physical vitality comes from a fanaticism about fitness. He swims, plays squash and every morning goes for a jog, taking along his Labrador, Sam.

Although a Lancastrian, Egan was brought up in Coventry where his father was a Rootes car dealer. He gained a degree in petroleum engineering at Imperial College.

He tries hard to preserve some family life in spite of working a long day, often prolonged by other calls on his time. Two or three nights a week he will either be with dealers or perhaps with another group doing more than his fair share to restore confidence about the prospects for industrial recovery in the West Midlands. He says these occasions give him the chance to "spread the gospel and sell some cars."

After a spell working for Shell drilling oil wells in the Middle East, Egan returned to London to take a master's degree in business studies at the London Business School. General Motor hired him in Britain for their AC Delco spare parts organisation and in 1971 Egan joined British Leyland as managing director of its Unipart spares organisation. He quit five years later after the Ryder report on BL's future was published. He was convinced it [illegible] disaster.

[illegible] years later when Sir Michael Edwardes was busily ripping the Ryder report up, Egan was recalled from Massey Ferguson to see if Jaguar was worth saving.

The story of how he pleaded, cajoled and, when necessary, bullied component suppliers into bringing the right sort of quality back into the components they supplied for Jaguar has often been told, as has the way he brought effective leadership to employees who had become dispirited when Jaguar lost its identity in the amorphous mass called BL Cars.

Now what quality has been restored, Egan has turned his attention to the sharp end of the business. The dealer network in Britain has been pruned so that by the end of this year it will be down to 150 from the 289 outlets Jaguar had at the beginning of 1982 when it was completely separated from BL's other cars business, Austin Rover.

Similar attention to quality, rather than quantity, has paid off handsomely in the U.S., and now Jaguar is about to tackle West Germany coming face to face with its arch rivals, Mercedes and BMW on their home turf.

Jaguar will produce about 28,500 cars this year, up from 22,000 in 1982 and next year seems set to pass the record output of 32,000 reached in 1974. Egan has resisted all pressures to put on a second shift at the Coventry assembly plant, where the nominal single-shift capacity is 25,000 cars a year, or to "throw more people in."

Turnover is up from £165m when he took charge at Jaguar to £420m this year and the company is "comfortably profitable."

Some suggest that Egan is in danger of believing in his own personal publicity. But, when asked to discuss at length his thoughts about the future of British manufacturing industry, he backs away. "Who am I to tell British industry what it should be doing? My job is to make Jaguar as good a company as I possibly can."

He will do that "by satisfying the customers. Everything springs from that—a good profit and a happy and well-paid workforce."

Weekend Brief

Double watchdog for the City

TIM BARKER, a merchant banker with Kleinwort Benson, was choosing his words carefully yesterday. The day before he had been named as the next director general of both the Council for the Securities Industry, the City's main self regulatory body, and the Takeover Panel.

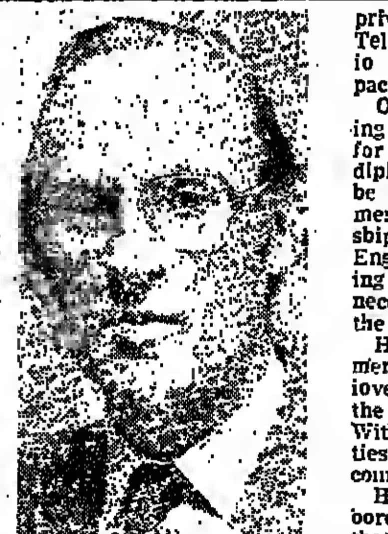
He had good reason to be in a fairly reflective mood. The role of the Council for the Securities Industry—once described as "a fifth wheel on the coach with little prospect of ever becoming anything more useful"—is once again being questioned.

The new debate has flared up following the Government's deal with the Stock Exchange over the restrictive practices legislation. In return for exempting the Stock Exchange from the restrictive practices legislation the Government has agreed that the Bank of England should have an increased monitoring role over the affairs of the Stock Exchange.

From now until he takes over the two jobs in January, Barker will have to consider thorny questions over who regulates the City—the council for the securities industry or the Bank of England.

In addition to dealing with the somewhat beleaguered council Barker will have to perform a central role as umpire in the increasingly complex takeover scene. The Takeover Panel ensures that all takeover bids are conducted in accordance with the takeover code.

At Jesus College, Cambridge, he read economics. After leaving he was accepted as a trainee at Kleinworts, starting out in the cash department, was moved around, and entered the corporate finance side in 1968.



Tim Barker

He became a director in 1973, one of the younger director appointments at the bank. He helped in the flotation of British Aerospace and Cable & Wireless, and he is part of the privatisation team for British Telecom. He was also involved in the complex refinancing package for Massey Ferguson.

Of the controversy surrounding the future of the Council for the Securities Industry he diplomatically says: "It would be premature for me to comment on how I see the relationship between the Bank of England and the Council," adding quietly: "I do not see a necessity for conflict between the two."

He argues that the Government's plans for improved investor protection will make the council "more important. With the changes in the securities industry the role of the council is bound to develop."

He admits to having a low boredom threshold and says that he is not a complete workaholic. The worst moment in his career came shortly after he joined the corporate finance department at Kleinwort.

An evening paper reported in a misprint that a takeover bid which he was mounting on behalf of a client was a shilling per share higher than the actual offer his clients were making. "I thought somebody might have to make up the difference."

When Elsie stops walking down the Street

Granada Television's scriptwriters, headed by veteran Harry Kershaw, will be burning the midnight oil of Manchester this weekend—to destroy a legend. They will be writing Elsie Tanner out of Coronation Street.

She has been there, wife, mistress and harridan, since 1960 when Britain's longest-running soap opera was launched. It was Elsie's own decision to end her contract and though Granada's public face is taking it calmly, it seems there is some degree of panic in the corridors of power.

As an old Granada hand said: "If you work there, you get the impression that Coronation Street is the only reason the company exists. When Elsie goes, there'll be ructions."

Pat Phoenix is one of the last four survivor of the original cast. The other three are Jack Howarth (Albert Tatlock) William Roche (Ken Barlow) and Doris Speed (Annie Walker, mine hostess of the Rover's Return).

A Granada spokesman said: 'Pat has simply decided not to renew her contract. There will be no trouble. It hasn't yet been decided how we'll write her out. We hope there won't be a leak, but who knows?"

But media-watchers were speculating yesterday that Granada may stage the greatest cliff-hanger since the shooting of J.R. in Dallas. Will it be linked with the departure of Peter Adamson (Len Fairclough), who joined the programme a year after its birth? No, Granada says.

Elsie Tanner chose an appropriate stage name. She was one one of those theatre people who rose from the ashes of provincial repertory in the 1950s when theatres seemed to turn into department stores overnight.

When I first met her, she was Patricia Pilkington, Bradford's sex symbol, appearing twice-nightly at the Prince's Theatre—Noel Coward one week, Agatha Christie the next and probably some Yorkshire dialect farce the week after.

Elsie Tanner is doing very well outside The Street. She has just spent three months starring in The Verdict in Bournemouth.

But back to the bland face of Granada: "Could this be the end of The Street? Good heavens, no. We're still consistently at the top of the ratings. We have scripts written for the next two months, but why shouldn't we go on for ever?"

The escalating price of horseflesh

THEY SAY that nothing is predictable in horse racing, but it came as no surprise when the records for prices of yearlings started tumbling at the Newmarket sales this week.

Amid noisy scenes reminiscent of those recorded a couple of years ago when his half sister, Greenland Park, was "knocked down" in front of a first hushed and then bustling gallery for a record 73,000 gns, brood mare Figure, a son of the stallion, Hello Gorgeous, went for 1,550,000 gns.

For anyone who finds it incomprehensible that millions should be paid for yearlings who may barely be able to raise a canter let alone a gallop, it is worth pointing out that 1½m gns for a yearling is almost "small beer" to some participants at America's big sales.

There earlier in the summer Sporting Life's Tony Morris reported back to England "The irresistible force of dogged determination met the immovable object of unlimited spending power."

He, along with 900 other spectators—vendors, buyers, journalists and television men—had just seen Sheikh Mohammed outbid Robert Sangster at $10.2m (about £7m) for a yearling by Northern Dancer.

On Tuesday Sangster had the last say as his offer of 1,550,000 guineas made through the British Bloodstock Agency foiled the efforts of Omar Assi acting on behalf of Sheikh Mohammed's brother, Maktoum al Maktoum.

No one had envisaged a price anywhere near that mark being achieved by the Hello Gorgeous colt, but that was not the case with Tuesday's two other seven figure purchases.

The first to crack the million pound mark—a son of Troy—was always earmarked for one of the "big spenders" and the only curious fact surrounding his £1.2m sale is that his owner has not even been decided. He is simply a Maktoum purchase and it remains to be seen which of the brothers will be reaching for his cheque book after Dick Hern's successful bid.

The other major figure produced through Tuesday's select catalogue concerned a son of General Assembly. After another predictable struggle, James Delahooke acting on behalf of Saudi Khaled Abdulla outlasted Sangster's representative Tom Cooper.

One hundred and seven lots were sold for an average of 151,579 guineas on that opening Tuesday. But the final figure for the average at the sale is considerably lower.

However, no one—least of all the top breeders can be too bitter at that. In 1972 the average for the sale was a mere 6,444 gns; by 1976 it had risen to only 9,865, and it was not until 1978 that the 20,000 gns average was cracked.

Since then the increases have been little short of remarkable with a 1979 figure of 30,403 gns and one last year of 40,116 gns. The 1983 sale ends today with an average likely to be well in excess of 50,000 gns.

Contributions:
John Moore
Alan Forrest
Dominic Wigan

Wall St continues to drift

PRICES CONTINUED to drift lower on Wall Street yesterday, when investors became inactive in the face of news that the U.S. economic growth is slowing and the Money Supply may be rising.

By 1 pm the Dow Jones Industrial Average was down a further 7.82 at 1232.32, making a loss of 23.27 on the week. The NYSE All Common Index, at $96.17, shed 69 cents on the day and $1.90 on the week, while declines led advances by a two-to-one majority. Trading volume decreased 2.25m shares to 50.96m, compared with 1 pm Thursday.

A market analyst said that despite an expected rise in M-1, the Money Supply's growth will still be below Fed targets.

Economists are projecting a moderate increase in the money supply figures to be released later in the afternoon.

Earlier yesterday the Commerce Department reported that the U.S. Index of Leading Economic Indicators fell 0.1 per cent in August, the first decline of the year.

Southmark Corp led the active list and were up $½ to $11 on a volume of over one million shares.

Amstar further advanced $3¼ to $44⅞ in active trading—it is discussing a leveraged buyout.

Coleco declined $1⅜ to $32, although it denied a Press report about problems with its Adam computer.

Helene Curtis gained $1⅜ to $47¼ on sharply higher second quarter profits.

CBS gave way $3⅞ to $74—it denied takeover rumours.

Motorola declined $3¼ to $138¼—it cut some product prices Thursday.

Texas Oil and Gas fell $3 to $44⅞—its 15 per cent earnings growth projection disappointed some analysts.

THE AMERICAN SE Market Value Index dipped 2.36 to 230.14, making a loss of 6.38 on the week. Volume dropped 3.5m shares to 3.91m, compared with 1 pm Thursday.

Closing prices for North America were not available for this edition.

Canada

Sharply lower at mid-session, with losses falling over a broad range. The Toronto Composite Index was off 20.9 at 2,519.1.

Of the 14 major stock groupings only Papers managed a rise.

The Metals and Minerals Index lost 39.5 to 2507.8, Golds 18.9 to 4086.6 and Banks 5.0 to 487.36.

Turbo Resources shed 6 cents to 73 cents—two Turbo creditors are seeking Court Orders for cash awards from the company involving $25m in Unsecured Loans.

Tokyo

Prices tumbled as investors continued to adjust their portfolios by selling off "high-priced" issues.

Electrical Blue Chips suffered, but "lower-priced" Synthetic and Asset-Rich shares bounced upward.

The Nikkei Dow Jones Index fell 30.02 to 9,402.59. Volume 300m (400m) shares.

Foreign buying was scarce despite the steep yen rise against the dollar in Tokyo, and domestic investors tended to be wary about recent high prices.

The market paid little attention to various key economic indicators announced by Government Agencies in recent days pointing to the recovery of the Japanese economy.

"Large-capital" issues and Non-Ferrous Metals, which led the recent rally, closed lower on profit-taking and liquidations.

Alps Electric lost Y100 to Y2,330 — discouraged by the recent decline in sales prices of magnetic recording heads and other electrical parts.

Fujisawa Pharmaceutical lost a further Y8 to Y890, but many other Drugs turned higher on "cheap" buying.

Nippon Kokan rose Y1 to Y154 on plans to produce ferro-silicon in the Philippines, despite earlier forecasting a recurrent loss for the current year of over Y10bn.

Mitsubishi Electric put on Y2 to Y434 — it was awarded the main contract for Japan's next generation of communication satellites.

Synthetic Fibres firmed on a recovery in the Polyester Fibre market. Mitsubishi Rayon added Y10 at Y359.

Germany

Share prices eased from a steady opening, during a quiet end-month and end-quarter session.

One dealer said the market's failure to advance resolutely on current prices is "disappointing" and attributed this to caution by investors who regard these levels as already relatively high.

Except for a bit of month- and quarter-end position balancing, the professional investors stayed out of the action and Foreign buying wasn't in evidence.

Banks led stocks down, with Deutsche slipping DM 3.50 to DM 302.50 on worries about its heavy involvement in Latin American loans.

Machinery and Resources were mostly lower, Steels and Motors mixed, while Stores and major Chemicals were little changed.

News Thursday that Construction companies have been fined for illegal Price Agreements led to pressure on the sector. Most of the shares were thinly traded, however, and hence move erratically. **Holzmann**, the biggest builder, fell DM 10 to DM 415, and **Hochtief**, the second largest, also fell DM 10 to DM 430.

Paris

Share prices rose in moderately active trading, with sentiment boosted by the cut in the French Call Money rate to 12⅛ per cent from 12¼ per cent.

French and Foreign Institutional buyers were both active.

Foods and Chemicals rose while Banks, Portfolios, Constructions, Engineering, Stores, Metals and Oils were mixed. Electricals fell.

In foreign issues, Americans, Japanese, Germans, Dutch and Oils rose. But Gold Mines and Coppers fell.

Amsterdam

Mixed in routine Friday afternoon trading.

KLM further advanced Fls 2.9 to 149.9—factors behind the rise included a positive U.S. analyst's report and news of the airline plans to spend Fls 600m on fleet modernisation.

Other Internationals remained slightly lower.

Amev rose Fls 2.8 to a new 1983 high of 133.8, while Natne were up Fls 2.1 at 175.6, each reflecting reasonable demand against a background of tight supply of shares and not by any new fundamental factors.

Wereldhave rose 50 cents to Fls 151.50 — Pension Funds PGGM and PVM said they were withdrawing their public offer of Fls 155 per Wereldhave share.

State Loans were higher.

Hong Kong

Prices dipped in light trading as the market continued to await the Government's promised measures to shore up the Hong Kong dollar.

The Hang Seng Index was down 9.02 at 758.33.

Brokers said that the market was still flinching from the poor results reported Thursday by Jardine Matheson, off 55 cents to HK$9.05, and also Hongkong Land, unchanged at HK$2.47. The interim profit figures were much worse than expected, with Jardines announcing a 66 per cent decline from the year earlier and Hongkong Land reporting a loss after a "huge" gain the year before.

Australia

Widely lower in heavy trading despite a late rally. The declines followed recent falls on Wall Street and in World Metal prices.

The All Ordinaries Index was down 3.8 at 718.0. However, over the week it rose 10 points.

The sharpest losses yesterday were concentrated among Mining stocks.

The sharp fall in World Gold prices triggered heavy losses among Gold Mines. GMK lost 80 cents to A$10.50, Poseidon 50 cents to A$5.40 and Central Norseman 30 cents to A$7.70.

Base Metals and Diversified Mines closed mixed.

Oil and Gas stocks also closed mixed, while Industrials were widely mixed.

Indices

NEW YORK — DOW JONES

	Sept. 29	Sept. 28	Sept. 27	Sept. 26	Sept. 23	Sept. 22	1983 High	1983 Low	Since C'mpil'tn High	Since C'mpil'tn Low
• Industr'ls	1240.14	1241.97	1247.87	1260.77	1255.59	1257.52	1260.77 (28/9)	1027.04 (3/1)	1260.77 (28/9/83)	41.22 (2/7/32)
H'me Bnds	71.85	71.81	71.71	71.81	71.47	71.11	77.84 (18/5)	82.85 (3/6)	—	—
Transport.	563.58	566.52	565.71	562.88	564.35	568.69	629.65 (7/9)	434.24 (3/1)	630.85 (27/6/83)	19.59 (8/7/32)
Utilities	134.25	134.97	134.73	134.78	131.45	133.45	134.97 (28/9)	118.51 (5/1)	163.38 (20/4/69)	10.5 (28/4/42)
TradingVol 000's	73,730	75,820	81,100	88,400	95,180	67,050	—	—	—	—

• Day's high 1252.05 (1263.56) low 1236.09 (1254.36)

Indust'l div. yield %	Sept. 23	Sept. 16	Sept. 9	Year ago (Approx)
	4.43	4.53	4.48	5.62

STANDARD AND POORS

	Sept. 29	Sept. 28	Sept. 27	Sept. 26	Sept. 25	Sept. 22	1983 High	1983 Low	Since Cmpil'tn High	Since Cmpil'tn Low
Indust'ls.	189.87	189.81	190.21	191.37	191.23	191.67	193.22 (22/6)	154.95 (3/1)	193.22 (22/6/83)	3.62 (30/6/32)
Comp's'te	167.21	168.81	168.43	170.07	169.61	169.76	170.99 (22/6)	138.34 (3/1)	170.99 (22/6/83)	4.45 (1/6/32)

	Sept. 28	Sept. 21	Sept. 14	Year ago (Approx)
Indust'l div. yield %	3.89	3.90	3.95	6.39
Indust'l P/E ratio	14.60	14.56	14.53	8.90
Long Gov. Bond yield	11.54	11.50	11.39	11.53

N.Y.S.E. ALL COMMON

Sept. 29	Sept. 28	Sept. 27	Sept. 26	1983 High	1983 Low
96.85	97.25	97.47	98.39	98.01 (22/6)	80.22 (24/1)

Rises and Falls	Sept. 29	Sept. 28	Sept. 27
Issues Traded	1,949	1,903	1,940
Rises	625	634	442
Falls	858	834	1,116
Unchanged	457	435	375
New Highs	n/a	30	29
New Lows	n/a	12	20

MONTREAL

	Sept. 29	Sept. 28	Sept. 27	Sept. 26	1983 High	1983 Low
Industrial	456.15	461.79	464.86	468.90	468.90 (26/9)	331.18 (4/1)
Combined	451.37	456.54	458.32	441.20	441.28 (26/9)	345.12 (4/1)
TORONTO Composite	2540.0	2561.5	2579.0	2588.2	2588.2 (26/9)	1949.8 (4/1)

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Closing price	Change on day
Republic Steel	1,924,300	27½	+1
Merrill Lynch	1,120,200	33¾	+⅛
LTV	1,098,500	15⅞	−1⅛
Am Tel & Tel.	1,047,000	65½	+⅛
Transworld	896,900	31¼	+1⅞
Cent & S. West	825,600	19⅝	+⅛
Intl. Harvester	786,000	10⅝	−⅛
IBM	723,500	127⅛	−⅞
Schlumberger	709,300	56	+⅛
Energy Expl.	688,000	1	—

WORLD INDICES

	Sept. 30	Sept. 29	Sept. 28	Sept. 27	1983 High	1983 Low
AUSTRALIA All Ord. (1/1/80)	718.0	721.8	716.6	718.8	736.7 (12/9)	487.8 (4/1)
Metals & Mnls. (1/1/80)	568.2	573.8	569.5	579.1	614.2 (6/9)	411.8 (4/1)
AUSTRIA Credit Aktien (2/1/62)	55.97	55.95	55.81	55.09	59.8 (6/6)	48.48 (16/2)
BELGIUM Belgian SE (31/12/63)	131.69	131.55	131.78	132.91	134.48 (1/8)	100.50 (4/1)
DENMARK Copenhagen SE (3/1/83)	—	187.74	187.84	186.53	204.22 (16/8)	100.00 (3/1)
FRANCE CAC General (31/12/82)	159.7	159.5	158.8	159.2	158.7 (30/9)	96.1 (3/1)
Ind Tendance (31/12/82)	149.4	148.5	148.3	148.1	148.7 (26/9)	98.0 (5/1)
GERMANY FAZ-Aktien (31/12/58)	316.21	317.20	317.01	317.15	331.56 (7/7)	241.39 (25/1)
Commerzbank (Dec1953)	939.5	941.2	941.3	940.7	986.3 (7/7)	727.8 (25/1)
HONG KONG Hang Seng Bank (31/7/64)	758.33	767.35	777.00	806.70	1102.54 (21/7)	758.33 (30/9)
ITALY Banca Comm Ital. (1972)	180.45	184.50	184.58	185.18	214.93 (21/6)	180.45 (12/1)
JAPAN** Dow Average (16/5/49)	9402.59	9432.61	9446.32	9414.15	9445.32 (28/9)	7803.18 (25/1)
Tokyo New SE (4/1/68)	691.08	692.35	694.37	692.62	694.37 (28/9)	574.51 (25/1)
NETHERLANDS ANP-CBS General (1970)	143.1	142.9	143.8	144.0	144.0 (26/9)	150.1 (4/1)
ANP-CBS Indust (1970)	112.5	116.3	116.3	116.5	116.5 (22/9)	85.5 (4/1)
NORWAY Oslo SE (4/1/83)	207.07	207.10	207.60	208.90	214.65 (16/8)	99.01 (4/1)
SINGAPORE Straights Times (1966)	979.35	979.20	980.76	981.93	992.62 (25/6)	712.29 (6/1)
SOUTH AFRICA Gold (1958)	—	930.4	859.0	860.2	1099.8 (1/2)	894.3 (29/8)
Industrial (1958)	—	956.0	955.8	955.6	958.7 (28/9)	740.9 (6/1)
SPAIN Madrid SE (31/12/82)	115.62	116.05	115.82	116.05	120.62 (13/7)	98.32 (11/1)
SWEDEN Jacobson & P. (1/1/58)	1456.56	1474.85	1481.42	1494.39	1520.60 (5/9)	898.16 (3/1)
SWITZERLAND SwissBankCpn. (31/12/58)	334.7	334.4	334.8	336.0	347.0 (4/8)	284.4 (4/1)
WORLD Capital Intl. (1/1/70)	—	151.5	182.3	182.1	183.8 (26/8)	154.6 (6/1)

(**) Saturday Sept 24: Japan Dow 9,314.00, TSE 687.66.

Base values of all indices are 100 except Australia All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrial. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

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SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Exent, a private engineering and electronics group, emerged as the bidder for Helical Bar. Through a wholly-owned subsidiary, Exeol is tendering for 1.45m shares in the troubled steel stockholder at 65p per share. Exent wants to maintain Helical Bar's Stock Exchange listing and intends to place shares in excess of 51 per cent acceptances in the market.

Taddale Investments halved the value of its agreed bid for Branon, the oilfield services and construction company in the wake the latter's large 1982/83 loss. Taddale's shares are traded on the over-the-counter market and it is now offering one of its own shares for each Branon share with a cash alternative of 30p per share. This compares with the original offer of two Taddale shares or 60p cash. The announcement of the lower offer wiped 28p off the Branon share price.

Another takeover bid in the investment trust sector looks likely. Moorside Trust, part of the Rivermoor management stable, received an approach which may lead to an offer.

North British Properties received a bid approach from Sun Life Assurance which prompted a jump of 59 to 152p in the North British share price, valuing the group at about £21m. Sun Life already owns a 24 per cent stake in North British while the Bell family, with boardroom representation, holds about 22 per cent.

Acco World Corporation, a U.S. office products concern, made an agreed 71p per share cash offer for Twinlock, the UK office products and furniture manufacturer, valuing the latter at £15.2m. Acco has already acquired a 23.3 per cent stake in Twinlock formerly held by the National Enterprise Board and a 10 per cent stake held by the Scottish American Investment Company. Twinlock's directors intend to accept the offer in respect of their beneficial holdings of 182,550 shares.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Baraoora	214	218	150	3.08	Finlay (James)
Branon	30*	30	58	0.92	Taddale
Drake & Scull	117§§	113	85	21.42	Simon Engineerg
Hawkins & Tmpsn	35*§	42	38	2.13	Evered
Helical Bar	65*	84	75	1.89	Exent
Huntleigh	200	216	203	28.73	Flight Refuelling
Illngwth Mrrs Ord	14½*§	17	18	1.33	Mr A. Lewis
Illngwth Morris A	10½*§	11	11	0.63	Mr A. Lewis
Ingram (H.)	65*§	300††	80	1.02	Wasskon
Ins Cpn of Ireland	284§	271	224	I£5.94	Allied Irish
Royal Worcester	298	315	275	20.17	Crystalate
Spring Grove	50*†	46	48	16.58	Pritchard Services
Spring Grove	63½	46	43	21.06	Sunlight Serv
Sunlight Serv	245	212	192	29.69	Brengreen Hldgs
Tecalemit	43§§	45	29	14.70	Siebe Gorman
Telfos	40*§	43	38	2.08	Plantations and Gen Invs
Twinlock	71*	68	60††	15.17	Acco World Cpn
UBM Group	129§§	125	99	75.64	Norcros
Westminster Prop	35½*§	32	32	9.85	Milbury
Wheeler's Rstrnts	495	480	485	7.42	Kennedy Brookes
Whittingh'm (W.)	130*¶	129	114††	8.11	Comben Group

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. || Loan stock alternative. ** Based on September 30, 1983. †† At suspension. ‡‡ Estimated. §§ Shares and cash.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Amalgamated Est.	March	1,830L	(930)L	—	(—)	—	(—)
Baltic Leasing	July	2,210	(394)	21.9	(5.3)	1.87	(—)
Blue Bird Conf.	June	206	(378)	—	(—)	4.73	(4.57)
Charterhill	June	202	(167)L	0.5	(—)	0.3	(0.3)
Crowther, J E	March	510	(476)	—	(—)	—	(—)
Eoess Lighting	June	401	(336)	25.5	(20.5)	8.25	(7.5)
Galliford	June	2,880	(3,010)	7.0	(7.1)	2.3	(2.0)
Hill, Charles	June	1,320L	(531)L	—	(—)	—	(—)
Home Farm Prod.	May	1,010	(928)	3.3	(2.9)	2.1	(1.75)
HTV	July	4,090	(4,740)	17.1	(22.4)	7.0	(7.0)
Ingall Industries	June	698	(511)	6.6	(3.9)	3.03	(2.75)
Lawrie Plant.	June	4,020	(2,970)	—	(—)	25.0	(22.0)
Link House Pub.	June	6,400	(5,650)	25.8	(33.1)	9.4	(8.5)
Maynards	June	1,050	(1,800)	14.7	(29.4)	9.75	(9.75)
Milbury	March	551	(634)	9.5	(18.6)	4.9	(4.9)
Mills & Allen	June	19,070	(12,650)	32.6	(28.0)	13.0	(11.0)
Parker Knoll	July	3,120	(2,000)	27.4	(17.7)	6.0	(5.0)
Raglan Prop. Tst.	March	285	(383)	—	(—)	0.08	(—)
Ramar Textiles	May	503	(310)	3.5	(2.1)	1.0	(0.63)
Regent Crest	April	71L	(51)	—	(—)	—	(—)
Stone Int.	May‡	3,000	(—)	3.25	(—)	27.0	(—)
Westmnstr & Con.	April	709	(621)	18.7	(16.6)	6.0	(5.0)
Wood, S W	March	343L	(953)L	—	(—)	—	(—)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Aberdeen Const.	June	1,740	(1,570)	2.1	(2.6)
AC Cars	March	89L	(163)L	—	(—)
APV	June	7,750	(8,080)	4.5	(2.8)
Arden & Cobden	June	6L	(26)	—	(—)
Arnliffe Hldgs.	April	191	(187)	1.12	(1.12)
Associated Book	June	1,580	(1,460)	2.75	(2.0)
Asth'ry & Madeley	June	630	(550)	1.4	(1.3)
Aurora	June	728	(283)	—	(—)
Barker & Dobson	July†	273	(511)	—	(—)
Bentalls	July	552	(239)	0.35	(0.3)
Beanford Group	June	224	(344)	1.4	(1.4)
Biddle Hldgs.	June	394	(1,032)	2.4	(2.4)
Bremar Trust	June	405	(251)	1.0	(—)
Brent Chemicals	June	1,920	(1,630)	0.6	(0.6)
Brit. Alcan Alum.	June	3,100	(—)	—	(—)
Brooke Tool	June§	388	(353)	—	(—)
S. Casket	June	514	(425)	1.38	(1.25)
Central Ind. TV	June	1,840	(1,310)L	—	(—)
Clyde Petcolm.	June	1,680	(1,100)L	—	(—)
Combined Eng. St.	August††	845	(1,670)L	1.49	(1.49)
Davenport Knit.	June	307	(369)	—	(—)
Dinkie Heel	June	55	(57)	0.2	(0.15)
DRG	July	9,500	(5,400)	3.0	(3.0)
Eastern Produce	June	3,360	(1,160)	1.5	(1.4)
Finlay, James	June	8,580	(4,730)	2.5	(2.0)
Finlay, Packgng.	June	609	(272)	0.75	(0.5)
Garfunkels	July	221	(130)	0.86	(—)
Gee, Cecil	July††	204	(64)	—	(—)
Grampian	June	444	(284)L	1.5	(1.5)
Grattan	July	864L	(1,000)	—	(1.0)
Hall Engineering	June	2,860	(3,410)	3.41	(3.41)
Hoskins & Horton	June	520	(271)	2.5	(2.0)
House of Fraser	July	4,590	(337)L	2.5	(2.0)
IDC	April	460	(511)	1.61	(1.46)
Inchcape	June	24,510	(24,350)	7.15	(7.15)
Jenks & Cattell	June‡‡	628	(170)	1.0	(0.5)
Laing, John	June	8,100	(4,000)	1.25	(1.0)
Leyland Paint	July	681L	(2,090)L	—	(—)
Liberty	June	94	(459)L	1.0	(0.4)
Lilleshall	June	3	(39)L	—	(—)
London & Cont.	June	268	(205)	—	(—)
Lorin	June	257	(155)	—	(—)
Mcdnld. Martin D.	June	474	(517)	3.0	(3.0)
Maclellan, P & W	June	21	(97)	0.5	(0.5)
Manders	June	2,220	(1,862)	2.0	(1.4)
Marshall Thomas	June	23L	(240)L	—	(1.2)
McBride, Robert	June	2,150	(2,200)	—	(—)
Metalrax	June	229	(616)	0.67	(0.64)
Miles 33	August	164	(40)	—	(—)
Molynx	June	17	(23)L	—	(—)
Moss Bros.	July	225	(135)	1.54	(1.05)
Neill, James	June	109	(137)	—	(—)
Newman Ind.	June	1,590	(64)	—	(—)
Nimslo	June	7,830L	(6,310)L	—	(—)
Northn. Eng. Ind.	June	20,150	(18,050)	1.65	(1.5)
Octopus Pub.	June	2,240	(1,970)	3.0	(—)
Oilfield Insp.	June	625	(585)	1.1	(1.0)
Pirelli UK	June	5	(2)	—	(—)
Planet Group	June	1,250	(622)	1.0	(0.7)
Riley Leisure	June	1,480	(515)	2.0	(1.5)
Spring Ram Corp.	July	635	(—)	1.0	(—)
Superdrug	Aug	2,880	(2,250)	1.4	(—)
Suter	June	1,020	(162)	0.75	(0.5)
Thomson T-Line	June	68L	(242)L	—	(—)
Tilbury Group	June	1,360	(955)	1.3	(1.2)
Tomatin Distills.	June	622L	(131)	—	(—)
Travis & Arnold	June	4,060	(2,550)	1.68	(1.4)
Watmoughs Hldgs.	June	748	(680)	1.7	(1.42)
Wiljay	June	26	(113)	1.15	(1.15)
Wilkes, James	June	73	(34)	1.5	(1.5)
Wills, Geo. & Sns.	June	620	(680)	2.5	(2.5)
Wimpey, George	June	8,200	(6,200)	0.85	(0.77)

(Figures in parentheses are for the corresponding period.)

* Dividends are shown net except where indicated. † Barker and Dobson. † Net profit. †† For 28 weeks. ‡‡ Compared with figures for previous 11 months. § Figures for nine months. L Loss.

Offers for sale, placings and introductions

Acorn Computers is joining the USM via an offer for sale of 11.23m shares of 1p each at a minimum price of 120p.

Hard Rock Cafe—Over the counter placing of shares.

Imperial Chemical Industries has applied for a New York Stock Exchange listing.

Memory Computer—Raising £2.76m by way of a placing of 1,173,513 new ordinary shares at 235p.

Saatchi and Saatchi—Offering 4.83m shares in the U.S.

Telemetrix—An offer for sale of 5,243,243 shares at 185p each, worth £9.7m.

Tottenham Hotspur is coming to the market for a full listing by way of an offer for sale of 3.8m shares at 100p each.

Rights Issue

Amalgamated Estates is raising £1.2m via a one for one rights issue at 7p per share.

APPOINTMENTS

Frank Gibb to become Taylor Woodrow chief

MR FRANK GIBB, joint managing director of TAYLOR WOODROW, is to become group chairman and chief executive on the retirement of Mr Richard Puttick in 1985, the company announced yesterday.

Mr Gibb, 56, has also been appointed joint deputy chairman of the company with immediate effect. Since he joined Taylor Woodrow in 1948, his career has been closely associated with the company's work in the energy field, including the construction of thermal and nuclear power stations, and more recently offshore oil development.

In 1960, he was appointed contracts manager with Taylor Woodrow Construction before becoming managing director in 1970. He joined the board in 1973 and later became chairman of the group's Construction, Engineering and Taywood-Santa-Fe companies.

Married with two sons and a daughter, Mr Gibb has also chaired the Agrément Board, the National Nuclear Group and the Federation of Civil Engineering Contractors' Council. He received the CBE in 1982.

IVO DAWNAY

Operations director for Shell Expro

Mr Ian Henderson has been appointed director of operations for SHELL UK EXPLORATION AND PRODUCTION, from October 1. Based in Aberdeen, he will be responsible for the operations conducted by Shell Expro for the joint venture between Shell and Esso. He joined Shell in The Hague in 1959. Mr Henderson succeeds Mr Ric Charlton, who is to become chairman of Shell Group companies in Malaysia.

★

Mr George B. Borwell, chairman of Greenham Trading, Mr Walter Hogbin, managing director of Taylor Woodrow International, and Mr H. Tony Palmer, director of Taylor Woodrow Construction are joining the parent company board on January 2, 1984. Mr Robert E. Aldred, joint deputy chairman and joint managing director, has decided to relinquish his directorship of Taylor Woodrow on December 31 but will continue to serve as a group consultant with particular responsibility for growth and expansion.

★

With the approval of the Governor of the Bank of England, Mr T. G. Barker, a director of Kleinwort Benson, has been appointed to succeed Mr John Hignett as director general of the COUNCIL FOR THE SECURITIES INDUSTRY and of the Panel on Take-overs and Mergers from January 1.

★

Sir David Roberts takes over as director-general of the MIDDLE EAST ASSOCIATION at the beginning of October. He succeeds Mr E. F. (Jock) Given, director-general for the past four years. Until recently Sir David was British Ambassador in Beirut. He also served as Ambassador to Syria and the United Arab Emirates. His other diplomatic postings included Baghdad, Alexandria, Khartoum and Dubai.

★

The INTERNATIONAL NEWSPAPER PROMOTION ASSOCIATION has appointed a new president. Mr David Teague, marketing director of T. Bailey Forman, Nottingham, outgoing president, hands over to Mr Terry Cassidy, managing director of George Outram and Co., Glasgow. He will be assisted by a new secretariat, Mr Eric van Veenstra (secretary) from the Netherlands. Mr Wolf Krüger (1st vice-president) of Süddeutsche Zeitung, West Germany, and Mr Eivind Thomsen (2nd vice-president) of Verdens Gang, Norway. There are four new directors: Mr Alan Maxwell, Irish Press Group, Mr Josef Burch, Tages-Anzeiger, Switzerland, Mr J. van Noerven (treasurer), Cebuco, Netherlands, and Mr Borje Alstrom, Sundsvalls Tidning, Sweden.

★

Mr W. E. McQuillen has been appointed divisional chief executive of the newly-formed HALMA U.S. division. Previously president of Halma's Post Glover Inc. healthcare equipment subsidiary, his responsibilities now extend to include Halma Holdings Inc. and Castell Safety Inc., the group's other U.S. interests.

★

JOSHUA TETLEY'S free trade sales director Mr Dick Forbes Watson is to take on additional board responsibilities and will be handing over the free trade role to Mr John Ragan. Before his promotion to the Joshua Tetley board Mr Ragan was a director of Halls Oxford and West, also a subsidiary of Allied Breweries.

★

Mr Clive Simkins has been appointed a director of HOGG ROBINSON (UK) from October 1. He will have overall responsibility for the UK marine cargo account and specific responsibility for the marine cargo division of the Birmingham branch.

★

JOHN FOSTER & SON has appointed Mr C. J. Renard as deputy managing director. The appointment follows the merger of John Foster and Son and E. A. Matthews and Co, of which Mr Renard is chairman and managing director.

★

COUNTY BANK has appointed Mr Paul Buchanan-Barrow and Mr David Lough as directors from October 1. Mr Peter Curtis, Mr David Lowes, Mr John Richardson and Mr Oliver Pawle become senior assistant directors. Mr Derk Brown, Mr Nicholas Coulson, Mr Michael Frank, Mr Jeremy Hicks and Mr Nicholas Wells become assistant directors.

★

PEAT MARWICK MITCHELL & CO has admitted the following as partners: Mr Ian J. Hudson, Mr John R. Hustler and Ms Sheila V. Masters, in London; and Mr Jack L. McLaren in Glasgow.

★

Mr Peter Baring has been appointed to the board of EGA, an MK Electric Group company as overseas and corporate development director. He joins from Barclays Bank. Mr Clive Robertson will be joining Ega as marketing director to replace Mr Andrew Scott who has been promoted to managing director of MK's South African subsidiary. Mr Robertson joined Ega from Simplex GE.

★

Mr Christopher F. Inman has been appointed executive secretary of EURABIA. He was formerly a researcher in the House of Commons concentrating on Middle Eastern affairs.

★

Mr R. Harvey Mansfield has been appointed to the board of AVON TYRES as marketing director from October 1. He joined Avon in 1959 as a salesman in Northern Ireland, and was appointed divisional manager in 1975.

★

Mr Michael J. Dowsett, director, MK Electric Group, and managing director, MK Electric, has been elected president of the Electrical Installation Equipment Manufacturers' Association (EIEMA).

Espley-Tyas form new division

Espley-Tyas Property Group has established a new division responsible for the management of non-property/construction trading activities, corporate acquisitions and disposals and joint ventures. Mr R. E. Burns has been appointed a director of Espley-Tyas Property Group in addition to his new responsibility as chief executive of Espley-Tyas Trading, the principal company within this new division. As a result of these changes and from October 1, Mr G. B. Gregory becomes chief executive of Espley-Tyas Development Group and will be responsible for Espley-Tyas Properties and the investments portfolio in addition to his present responsibilities. Mr P. J. Gilman, deputy chairman of Espley-Tyas Property Group with responsibilities for all UK divisional activities, becomes chairman of the new division.

★

Mr Peter Prophet has been appointed deputy managing director—services of POSTAL CENTRES (INTERNATIONAL), a member of the Taylor Harrison Group.

★

Mr Larry Tune, a former director of PA Management Consultants, will be joining COOPERS & LYBRAND ASSOCIATES as a director on October 1, based in Manchester.

★

WEDLAKE BELL has admitted Mr John Cowlishaw as a partner from October 1. At the same time Ms Suzanne Reeves and Ms Katherine Wallace have been appointed associates.

Finance chief for Jardine Insurance

Mr Ronald D. L. Urquhart has been appointed chief financial officer for all the worldwide reinsurance operations of the JARDINE INSURANCE BROKERS group. He has also been appointed a non-executive director of Jardine Thompson Graham. Mr Urquhart was formerly group financial director of the worldwide insurance operations of the Hong Kong and Shanghai Bank.

★

Mr Roger Dimbleby has been appointed to the board of NORTON OPAX as finance director; and Mr Colin Linn becomes managing director of Norton and Wright, a subsidiary of the Norton Opax group. Both appointments are from October 1.

★

Mr Richard Shakeshaft, area director of HAMBRO LIFE, has been appointed executive director and will take over responsibility for product marketing. Mr Ladislav Suchopar, executive director of Hambro Life, joins the board of Dunbar and Co.

★

Mr P. R. Rawson has been appointed a director of PA INTERNATIONAL AND STURGE UNDERWRITING AGENCY. Mr J. F. P. Cheetham has retired as a director but will remain a consultant.

★

Mr Ronald Frank Hill has been appointed financial director and company secretary of BARTON ABRASIVES.

★

INTERACTIVE DATA MACHINES has appointed Mr Neil Taylor as financial director. He joins from EDP, where he was financial controller.

★

Mr Leonard Jones, Portsmouth area manager with the SOUTHERN ELECTRICITY BOARD, has been appointed chief engineer from October 1 and will succeed Mr William Kerss, who has been appointed deputy chairman of the South Wales Electricity Board at its headquarters in Cardiff.

★

Mr Alan Kershaw and Mr Eric C. Langdon will become joint managing directors of BLACK CLAWSON INTERNATIONAL on October 1. Mr Kershaw was commercial director, and Mr Langdon was the deputy managing director.

Economic Diary

TODAY: Mr John Selwyn Gummer, Conservative Party chairman, attends Yorkshire Conservative Trade Unionists annual conference, York.

TOMORROW: Labour Party conference opens (until October 7) in Brighton.

MONDAY: Labour Party conference debates general election report, Brighton. Thames Water Authority publishes "Streamlining" plan. Mr Kenneth Baker, Information Technology Minister, opens new gantry mill, part of a £30m development plan at Northern Engineering Industries, Heaton.

TUESDAY: UK official reserves for September. Capital issues and redemptions during September. Housing starts and completions in August. Trade Unions within Triple Alliance launch anti-Tory offensive, Brighton.

WEDNESDAY: IMF executive board meets, Washington, to approve $480m 18-month standby credit programme for Portugal. Advance energy statistics for August. U.S.-Soviet strategic missile talks resume, Geneva.

THURSDAY: ACP/EEC begin two-day negotiations on renewal of Lomé Convention, Luxembourg.

FRIDAY: Labour Party conference ends with debates on electoral reform, the police, and the manifesto, Brighton.

Granville & Co. Limited

(formerly M. J. H. Nightingale & Co. Limited)

27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

Over-the-Counter Market

1982-83 High	Low	Company	Price	Change	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
142	120	Ass. Brit. Ind. Ord.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
158	117	Ass. Brit. Ind. CULS	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
74	[illegible]	Airsprung Group	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46	[illegible]	Armitage & Rhodes	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
242	[illegible]	Bardon Hill	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
151	100	CCL 11pc Conv. Pref.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
270	184	Cindico Group	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
86	[illegible]	Deborah Services	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
144	[illegible]	Frank Horsell	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
138	[illegible]	Frank Horsell Pr.Ord.87	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
83	[illegible]	Frederick Parker	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
55	[illegible]	George Blair	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
100	[illegible]	Ind. Precision Castings	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
200	[illegible]	Isis Conv. Pref.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
114	[illegible]	Jackson Group	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
237	[illegible]	James Burrough	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
260	[illegible]	Robert Jenkins	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
83	[illegible]	Scruttons "A"	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
167	[illegible]	Torday & Carlisle	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
29	[illegible]	Unilock Holdings	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
90	[illegible]	Walter Alexander	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
276	[illegible]	W. S. Yeates	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Licensed Dealer in Securities

EUROPEAN OPTIONS EXCHANGE

Series	Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	May Vol.	May Last	Stock
GOLD C $400	77	10.50	23	30	[illegible]	[illegible]	$406.90
GOLD (further series)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
SILV (series)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	$11.37
ABN, AKZO, AMRO, GIST, HEIN, HOOG, KLM, NEDL, NATN, PHIL, RD, UNIL, EOE (series)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOTAL VOLUME IN CONTRACTS: 17,170

A=Ask B=Bid C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	9½%	■ Hambros Bank	9½%
Al Baraka International	9½%	Heritable & Gen. Trust	9½%
Allied Irish Bank	9½%	■ Hill Samuel	§9½%
Amro Bank	9½%	C. Hoare & Co.	†9½%
Henry Ansbacher	9½%	Hongkong & Shanghai	9½%
Arbuthnot Latham	9½%	Kingsnorth Trust Ltd.	11 %
Armco Trust Ltd.	10 %	Knowsley & Co. Ltd.	10 %
Associates Cap. Corp.	9½%	Lloyds Bank	9½%
Banco de Bilbao	9½%	Mallinhall Limited	9½%
Bank Hapoalim BM	9½%	Edward Manson & Co.	10½%
BCCI	9½%	Meghraj and Sons Ltd.	9½%
Bank of Ireland	9½%	Midland Bank	9½%
Bank Leumi (UK) plc	9½%	■ Morgan Grenfell	9½%
Bank of Cyprus	9½%	National Bk. of Kuwait	9½%
Bank of Scotland	9½%	National Girobank	9½%
Banque Belge Ltd.	9½%	National Westminster	9½%
Banque du Rhone	10½%	Norwich Gen. Tst.	9½%
Barclays Bank	9½%	R. Raphael & Sons	9½%
Beneficial Trust Ltd.	10½%	P. S. Refson & Co.	9½%
Bremar Holdings Ltd.	9½%	Roxburghe Guarantee	10 %
Brit. Bank of Mid. East	9½%	Royal Trust Co. Canada	9½%
■ Brown Shipley	10 %	Standard Chartered	9½%
CL Bank Nederland	9½%	Trade Dev. Bank	9½%
Canada Perm't Trust	10½%	TCB	9½%
Castle Court Trust Ltd.	10 %	Trustee Savings Bank	9½%
Cayzer Ltd.	9½%	United Bank of Kuwait	9½%
Cedar Holdings	10 %	United Mizrahi Bank	9½%
■ Charterhouse Japhet	9½%	Volkskas Intnl. Ltd.	9½%
Choulartons	10 %	Westpac Banking Corp.	9½%
Citibank Savings	¶10½%	Whiteaway Laidlaw	10 %
Clydesdale Bank	9½%	Williams & Glyn's	9½%
C. E. Coates	10 %	Wintrust Secs. Ltd.	9½%
Comm. Bk. of N. East	9½%	Yorkshire Bank	9½%
Consolidated Credits	9½%		
Co-operative Bank	*9½%		
The Cyprus Popular Bk.	9½%		
Dunbar & Co. Ltd.	9½%		
Duncan Lawrie	9½%		
E. T. Trust	10 %		
Exeter Trust Ltd.	10½%		
First Nat. Fin. Corp.	11½%		
First Nat. Secs. Ltd.	11½%		
Robert Fraser	10 %		
Grindlays Bank	‡9½%		
■ Guinness Mahon	9½%		

■ Members of the Accepting Houses Committee. * 7-day deposits 6%, 1-month 6.25%. Short-term £8,000/12-month 8.8%. † 7-day deposits on sums of: under £10,000 6%, £10,000 up to £50,000 7%, £50,000 and over 8%. ‡ Call deposits £1,000 and over 6%. § 21-day deposits over £1,000 7%. ¶ Demand deposits 6%. ¶ Mortgage base rate. || Money Market Cheque Account—8.05%. Effective annual rate—8.43%.

MONTHLY AVERAGES OF STOCK INDICES

—	Sept.	Aug.	July	June
Financial Times				
Government Securities	81.01	78.37	80.21	82.53
Fixed Interest	83.26	82.23	83.14	84.30
Industrial Ordinary	704.3	724.6	697.2	710.0
Gold Mines	558.0	566.3	653.1	634.8
Total Bargains	19,905	18,224	20,109	22,293
F.T.—Actuaries				
Industrial Group	435.69	447.37	407.55	442.38
500 Share	465.42	485.07	480.27	482.44
Financial Group	282.21	332.42	328.07	327.20
All-Share (750)	443.06	450.55	443.46	446.23

	Sept. High	Sept. Low
Industrial Ordinary	714.5 (9th)	694.0 (27th)
All-Share	454.25 (8th)	442.25 (10th)

LONDON TRADED OPTIONS

Option	Calls Oct.	Calls Jan.	Calls Apr.	Puts Oct.	Puts Jan.	Puts Apr.
Brit. Petroleum (*430) 390 / 420 / 460	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cons. Goldfields (*554) 500 / 550 / 600 / 650	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Courtaulds (*98) 70 / 80 / 90 / 100 / 110	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Commercial Union (*172) 160 / 180 / 200 / 220	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
G.E.C. (*188) 160 / 180 / 200 / 220	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Grand Met. (*321) 300 / 330 / 360	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
I.C.I. (*556) 420 / 460 / 500 / 550 / 600	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Land Securities (*311) 280 / 300 / 330 / 360	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Marks & Spencer (*206) 180 / 200 / 220 / 240	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Shell Transport (*598) 460 / 500 / 550 / 600 / 650	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option	Calls Nov.	Calls Feb.	Calls May	Puts Nov.	Puts Feb.	Puts May
Imperial Group (*117) 100	4½	2	12	7	9	12
130	1½	4	—	14	10	—
Lasmo (*305) 300	27	40	08	12	25	32
330	13	30	42	35	40	45
360	6	13	25	05	05	72
390	3	8	17	20	25	82
Lonrho (*103) 90	19	18	—	1	2½	—
100	7½	8½	11	3	7	10
110	2	0½	6½	10	10	15
P. & O. (*222) 180	50	56	—	1	2	—
200	31	08	44	2	2	4
220	12	20	30	4	7	0
240	0	11	18	17	13	21
Racal (*200)	10	22	00	7	11	15
	2	—	—	14	—	—
	—	14	29	—	24	20
	4	9	15	30	32	34
	2	5	10	50	50	60
	1	2	—	75	75	—
R.T.Z. (*502)	68	87	—	8	22	—
	45	60	—	14	40	—
	34	50	64	25	00	55
Vaal Reefs (*$114), Beecham (*310), Boots (*322), De Beers (*$870), Guest Keen (*165), Hanson (*217), Tesco (*167)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option	Calls Nov.	Calls Feb.	Calls May	Puts Nov.	Puts Feb.	Puts May
Barclays Bank (*464) 420	47	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
460	18	35	45	15	22	00

Sept. 30 Total Contracts 3,913 Calls 2,956 Puts 958. * Underlying security price.

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced *without permission.*

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the four previous days is given with the relevant date.

‡ Bargains at special prices. ● Bargains done the previous day. Δ Bargains done with non-member or executed in overseas markets.

UK PUBLIC BOARDS

COMMONWEALTH GOVT.

FOREIGN STOCKS (coupons payable London)

CORPORATIONS—FOREIGN

BANKS, DISCOUNT

BREWERIES

COMMERCIAL INDUSTRIAL

A—B

C—D

E—F

G—H

I—J—K

L—M

N—O—P

Q—R—S

T—U—V

W—Y—Z

FINANCIAL TRUSTS

INSURANCE

INVESTMENT TRUSTS

MINES—MISCELLANEOUS

MINES—SOUTH AFRICAN

OIL

PROPERTY

PLANTATIONS

Aberfoyle Plantations (5p) 6¼ (28/9)
Anglo-Indonesian 0½pcPf (£1) 123 9.
Dunlop 6pcPf (£1) 43
Guthrie Corpn 9¼pcLn 1992-97 £78
Malaysia Rubber (10p) 145
McLeod Russel 7pcLn 1986-91 £63½
Sogomana Go (10p) 440 (28/9)

RAILWAYS

Canadian Pacific 7¼pcPf (Ser A) (C$10) 425
New Brunswick Railway 4pcDb £32½ (26/9)
Ontario Quebec 5pcDb £42½ (28/9)
Toronto Grey Bruce 4pc1stBds (2893) £30½ (27/9)

SHIPPING

Peninsular Oriental Steam Nav 5pcPf £51½ (28/9). 3½pcDb £30½

UTILITIES

WATER WORKS

Sunderland & Sth Shields Water 3.5pc (Fmly 5pc) £37 (26/9). 3.5pc (Fmly 5pc) Pf £37 (23/9). 2.8pc (Fmly 4pc) Pf £29½ (27/9). 4.2pc (Fmly 6pc)Pf 1986-88 £80 (23/9). 7pcDb 1986-89 £93½. 7¼pcDb 1992-94 £75 (27/9)
Sutton Dist Water 4.9pc (Fmly 7pc) £81½
Tendring Hundred Waterworks 3.5pc Fmly 5pc) Max New (£10) 345 (26/9)
West Kent Water 7½pcDb 1990-91 £77¼ (28/9)

UNLISTED SECURITIES MARKET

A & M Hire (10p) 23½ 4 4½ 5. New (10p) (Fp/AL 7-10-83) 28 ½ 4 ½
Berkeley & Hay Hill Invest (10p) 11¾
Biomechanics Intnl (10p) 88 5 ½
Central Independent Television Non-vtg (50p) 167 9 70 (28/9)
Chemical Methods Assoc Shs Npn 66
Cirp (10p) 110 (23/9)
Club Oil 6 (25p) 60 (23/9)
Cobra Emerald Mines Shs Npv 109 11 3 4
Eldridge Pope A (£1) 708 10 (28/9)
Exeter Bldg & Constn Gp (50p) 130 (27/9)
First Talisman Invest (20p) 30 (23/9)
Flextech (10p) 191 ½. New (10p) (Fp/LA 4-11-83) 160 1 3
Freshbake Foods Gp New (5p) (Fp/AL 12-10-83) 65 0 7
Fuller Smith & Turner A (£1) 550 (28/9). New A (£1) (Fp/RC-30-9-83) 549 (27/9)
Gilbert House Invest (10p) 22½
Gould (Laurence) (25p) 112 5 (28/9)
Intervision Video (Hldgs.) 7pcPf (£1) 193 4
Invest Energy Hldgs (25p) (Ex rts) 270 2 3 3 ½ 7. New (25p) (Fp/PAL 29-9-95) 268 70 (27/9)
London Continental Advert Hldgs (8p) 37
New Court Natural Resources Wts to sub for Ord 8
PCT Go (10p) 157 (27/9). New (10p) (Fp/AL 4-11-83) 156 7 8 8
Polytechnic Marine 15p 240
Rayford Supreme Hldgs (25p) 220 5 (27/9)
Rivlin (I D & S) Hldgs (5p) 65
SCUSA Shs ($0.01) 85 7 100
Sinclair (William) Hldgs (25p) (Rd-1-7-93) 80 (26/9)
Sunleigh Electronics (10p) 10 (29/9)
Technology for Business (10p) 82 (27/9)
Thorpec Go (5p) 38 42 3 (26/9)
United Friendly Insur 6 (10p) 200 (28/9)

RULE 163 (4) (a)

Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List.

AOG Minerals 16 (27/9)
Acmex Hldgs 42 (28/9)
Acorn Secs 53 (26/9)
Adobe Oil Gas $14½ (27/9)
Aetna Life Casualty £23¼ ½
Allfex Hldgs 203 4
Alliance Oil Devel 59 80
Amatil 150 (27/9)
American Home Prods £33½ (28/9)
American Standard £21¼ (26/9)
Amol Ex 26 (23/9)
Aust Cons Mins 17 ½ 18
Aust Foundation Inv 95
Aust Oil Gas 100
Aust Paper Mfrs 130 (28/9)
Australis Min 34 1½ 2 2½ 3
Aztec Ex 16 (28/9)
Balmoral Res 20 (27/9)
Bancal Tri-State $US45 (23/9)
Basic Res (Bahamas) 31 4 (28/9)
Basin Oil 152
Batu Kawan 125
Bayerische Motoren Werke DM378 (23/9)
Beach Pet 16 (27/9)
Conic Inv 10
Cons Edison (NY) £16¼ (23/9)
Cons Gold Mng Areas (A$0.25) 3¼ 4
Cons Pet Australia 29 33
Cons Res 12 (27/9)
Cooper Res 13 ½ (28/9)
Cork Invs 43 (28/9)
Crusader Oil 225 7 (27/9)
Daimler-Benz (DM50) DM570 (23/9)
Dasa (Rit Transfer) 374 (28/9)
Data Gen Corp £52½ 3 ½ (27/9)
Development Bk Singapore 290 5
Digital Equip £70½ (28/9)
Dome Mines £10.20 (28/9)
Dresdner Bk £12½
Dresser Inds £13½ (26/9)
Dulker Ex US$5.40 (26/9)
EZ Inds 358
Eastern Pet Australia 37 (28/9)
Eastman Kodak US$71¼ (28/9)
Elf Aquitaine FFr180
Emerson Electric £42 (28/9)
Energy Res Aust A 106 (26/9)
Enterprise Gold Mines 31½
Eurocan Ventures 44 (28/9)
Falconbridge £43½ (27/9)
Ferrovanadium Corp 31 3 (27/9)
First Pacific Finance 180
Forsyth Oil Gas 18 (26/9)
Fuji Photo US$10.20 10.25 (28/9)
Gem Ex Mins 5 ½ (23/9)
Gen Oriental 468 90 5 7
Georgia-Pacific Corp £16½ (28/9)
Gist-Brocades £37
Greenbushes Tin 97
Greenvale Min (A$0.05) 7 (26/9)
Greyhound Corp $14½ US$22½
Gulf Canada £10½ ¼ (28/9)
Hang Seng Bk 265
Hampden Energy 178 (27/9)
Hawk Invests 24 (28/9)
Hewlett-Packard £28½ (27/9)
Hill 50 Gold 25 (28/9)
Hong Kong Kowloon Wharf 25½ (28/9)
Hong Kong Electric 40 (20/9)
OT 10 (23/9)
Ocean Res 13 (23/9)
Oil Co Australia ($A0.35) 21½ ¼
Oil Search 10 ¼ ½
Overseas Trust 6½ 22
Pullitser Int 20 ½ 1
Pancontinental Pet 24½ 5. Opts 30/8/99 15 (26/9)
Pan Pac Pet 8 8¼
Pecos Res C$5.65 (26/9)
Penn Central $26½ (28/9)
Penney (J. C.) $30½ (28/9)
Perkin-Elmer US$30½ £24½ (27/9)
Poseidon 342 5 7
Queen Margaret Gold 2½ 2 2
RCA Corp US$30½ (28/9)
Raytheon £38½ (28/9)
Rembrandt Group £14.30
Rennies Cons Hldgs 875 (28/9)
Rovex Sturgex 420 (28/9)
Sanyo Electric 170 2 (28/9)
Score Res 205
Security Tag Systems 505 10 (28/9)
Selangor Coconuts 117
Shell Canada A £19½ (28/9)
Siemens AG US$128½ £86.49 (28/9)
Teck Corp A 725
Texas Instruments £78½ (26/9)
Texas Oil Gas £32½ (26/9)
Timor Oil 4 (26/9)
Tooth 250 (27/9)
TransWorld Corp $20½
Tri-Continental £18½ (27/9)
United Goldfields 46
United O'seas Bk 186 (26/9)
Valiant Cons 26
Vereeniging Ref 3700 (27/9)
Wang Labs B £22½ (28/9)
Waste Management £32½
West Aust Onshore Oil 13
Western Res 25
Western Union Corp US$20
Westfield Mins 129 (28/9)
Westinghouse Electric £32½ (27/9)
Wheelock Maritime A 90
Windsor Res 3 9 ½
World Intnl Hldgs 10½ ½
Zone Pet 165 (26/9)

RULE 163 (2)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

Amal Metal (£1) 270 5
Ann St Brewery (£1) 400 (28/9)
Arsenal FC (£1) 250 60 (28/9)
Ascot (10p) 13 ½ (28/9)
Baker Electronics (10p) 50 3 (29/9)
Batsford (£1) 200 (26/9)
Biotechnology ($0.02) £11¼ 12¼
Block Intnl 8pcLn 1984-86 £88 (26/9)
Brind Invs (£1) 158½ 61¼
British Uralite (10p) 15 ¼ (23/9)
Bryson Oil Gas (20p) 175 (29/9)
Carrison (10p) 13 14 (28/9)
Castletown Brewery 3½pc1stDb £33
Central TV (50p) 170 4 (28/9)

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration.

Conroy Pet Nat Res 145 50 5 89 (23/9)
Kenmare Oil Ex 7½
Steaua Romana (Br) Dfd (5p) 40
Voyager Pet (UK) (10p) 95

(By permission of the Stock Exchange Council)

UK COMPANY NEWS

Cockburn Cement hit by building downturn

Lower cement sales resulting from the reduced activity in the building and construction industry have led to a fall in half year profits at Cockburn Cement, the 85 per cent owned Australian subsidiary of Rugby Portland Cement.

For the first half of 1983, pre-tax profits declined from A$3.51m to A$2.51m, on a lower turnover of A$22.18m (A$25.99m). Trading surplus dropped from $6.4m to $4.84m, before unchanged depreciation of $1.7m and interests costs reduced from $1.2m to $0.64m—reflecting an improved cash position.

After tax of $1.1m, against $1.61m, net profits dropped from $1.9m to $1.41m. The interim dividend is maintained at 3.25 cents per share, costing $675,000 (same).

The company says the measures taken by State and Federal governments to stimulate the house building industry should result in a modest increase in demand for cement in the second half, with a greater effect in 1984.

Sales for quicklime were marginally down in the first half but demand is now increasing.

FT UNIT TRUST INFORMATION SERVICE

Authorised Units—continued

Offshore and Overseas—continued

Rothschild Asset Management (CI)
St Julian's Ct, St Peter Port, Guernsey. 0481 26741

OC International Reserves Ltd

Bel Francs	BFr883.36	+0.160	6.89
Canadian $	C$37.15	+0.010	8.09
D-Mark	DM81.07	+0.005	4.64
Dutch Guilder	Fl50.92	+0.010	4.65
French Franc	FFr165.445	+0.050	11.47

D-Mark	DM51.4066	....	—
Swiss Franc	SF51.0495	....	—

J. Henry Schroder Wagg & Co Ltd
120 Cheapside, EC2. 01-382 6000

Nass&TS23	$60.93	—	−1.45

Target Trust Mngrs (Jersey) Ltd
PO Box 194, St Helier, Jersey. 0534 27441

Mod Cur Fd	96.1	101.8	+0.1

Insurances—continued

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Exent, a private engineering and electronics group, emerged as the bidder for **Helical Bar**. Through a wholly-owned subsidiary, Exent is tendering for 1.45m shares in the troubled steel stockholder at 65p per share. Exent wants to maintain Helical Bar's Stock Exchange listing and intends to place shares in excess of 51 per cent acceptances in the market.

Taddale Investments halved the value of its agreed bid for **Branon**, the oilfield services and construction company in the wake the latter's large 1982/83 loss. Taddale's shares are traded on the over-the-counter market and it is now offering one of its own shares for each Branon share with a cash alternative of 30p per share. This compares with the original offer of two Taddale shares or 60p cash. The announcement of the lower offer wiped 28p off the Branon share price.

Another takeover bid in the investment trust sector looks likely. **Moorside Trust**, part of the Rivermoor management stable, received an approach which may lead to an offer.

North British Properties received a bid approach from Sun Life Assurance which prompted a jump of 59 to 152p in the North British share price, valuing the group at about £21m. Sun Life already owns a 24 per cent stake in North British while the Bell family, with boardroom representation, holds about 22 per cent.

Acco World Corporation, a U.S. office products concern, made an agreed 71p per share cash offer for **Twinlock**, the UK office products and furniture manufacturer, valuing the latter at £15.2m. Acco has already acquired a 23.3 per cent stake in Twinlock formerly held by the National Enterprise Board and a 10 per cent stake held by the Scottish American Investment Company. Twinlock's directors intend to accept the offer in respect of their beneficial holdings of 182,550 shares.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Baraoora	214	218	150	3.08	Finlay (James)
Branon	30*	30	58	0.92	Taddale
Drake & Scull	117§$	113	85	21.42	Simon Engineerg
Hawkins & Tmpsn	35*§	42	38	2.13	Evered
Helical Bar	65*	84	75	1.89	Exent
Huntleigh	200	218	203	28.73	Flight Refuelling
Illogwth Mrrs Ord	14½*§	17	18	1.33	Mr A. Lewis
Illogwth Morris A	10½*§	11	11	0.63	Mr A. Lewis
Ingram (H.)	65*§	300††	80	1.02	Wasskon
Ins Cpo of Ireland	284§	271	224	I£5.94	Allied Irish
Royal Worcester	298	315	275	20.17	Crystalate
Spring Grove	50*†	46	48	16.58	Pritchard Services
Spring Grove	63½	46	43	21.06	Sunlight Serv
Sunlight Serv	245	212	192	29.69	Brengreen Hldgs
Tecalemit	43§§	45	29	14.70	Siebe Gorman
Telfos	40*§	43	38	2.08	Plantations and Gen Invs
Twinlock	71*	68	60††	15.17	Acco World Cpn
UBM Group	129§§	125	99	75.64	Norcros
Westminster Prop	35½*§	32	32	9.85	Milbury
Wheeler's Rstrnts	495	480	485	7.42	Kennedy Brookes
Whittingh'm (W.)	130*¶	129	114††	8.11	Comben Group

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. ‖ Loan stock alternative. ** Based on September 30, 1983. †† At suspension. ‡‡ Estimated. §§ Shares and cash.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Amalgamated Est.	March	1,830L	(930)L	—	(—)	—	(—)
Baltic Leasing	July	2,210	(394)	21.9	(5.3)	1.87	(—)
Blue Bird Conf.	June	206	(378)	—	(—)	4.73	(4.57)
Charterhill	June	202	(167)L	0.5	(—)	0.3	(0.3)
Crowther, J E	March	510	(476)	—	(—)	—	(—)
Eness Lighting	June	401	(336)	25.5	(20.5)	8.25	(7.5)
Galliford	June	2,880	(3,010)	7.0	(7.1)	2.3	(2.0)
Hill, Charles	June	1,320L	(531)L	—	(—)	—	(—)
Home Farm Prod.	May	1,010	(928)	3.3	(2.9)	2.1	(1.75)
HTV	July	4,090	(4,740)	17.1	(22.4)	7.0	(7.0)
Ingall Industries	June	698	(511)	6.6	(3.9)	3.03	(2.75)
Lawrie Plant.	June	4,020	(2,970)	—	(—)	25.0	(22.0)
Link House Pub.	June	6,400	(5,650)	25.8	(33.1)	9.4	(8.5)
Maynards	June	1,050	(1,800)	14.7	(29.4)	9.75	(9.75)
Milbury	March	551	(634)	9.5	(18.6)	4.9	(4.9)
Mills & Allen	June	19,070	(12,650)	32.6	(28.0)	13.0	(11.0)
Parker Knoll	July	3,120	(2,000)	27.4	(17.7)	6.0	(5.0)
Raglan Prop. Tst.	March	285	(383)	—	(—)	0.08	(—)
Ramar Textiles	May	503	(310)	3.5	(2.1)	1.0	(0.63)
Regent Crest	April	71L	(51)	—	(—)	—	(—)
Stone Int.	May‡	3,000	(—)	3.25	(—)	27.0	(—)
Westmnstr & Con.	April	709	(621)	18.7	(16.6)	6.0	(5.0)
Wood, S W	March	343L	(953)L	—	(—)	—	(—)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Aberdeen Const.	June	1,740	(1,570)	2.1	(2.6)
AC Cars	March	89L	(163)L	—	(—)
APV	June	7,750	(8,080)	4.5	(2.8)
Arden & Cobden	June	6L	(26)	—	(—)
Arnelifie Hldgs.	April	191	(187)	1.12	(1.12)
Associated Book	June	1,580	(1,460)	2.75	(2.0)
Asth'ry & Madeley	June	630	(550)	1.4	(1.3)
Aurora	June	728	(283)	—	(—)
Barker & Dobson	July†	273	(511)	—	(—)
Bentalls	July	552	(239)	0.35	(0.3)
Beanford Group	June	224	(344)	1.4	(1.4)
Biddle Hldgs.	June	394	(1,032)	2.4	(2.4)
Bremar Trust	June	405	(251)	1.0	(—)
Brent Chemicals	June	1,920	(1,630)	0.6	(0.6)
Brit. Alcan Alum.	June	3,100	(—)	—	(—)
Brooke Tool	June§	386	(353)	—	(—)
S. Casket	June	514	(425)	1.38	(1.25)
Central Ind. TV	June	1,840	(1,310)L	—	(—)
Clyde Petrolm.	June	1,680	(1,100)L	—	(—)
Combined Eng. St.	August††	845	(1,670)L	1.49	(1.49)
Davenport Knit.	June	307	(369)	—	(—)
Dinkie Heel	June	55	(57)	0.2	(0.15)
DRG	July	9,500	(5,400)	3.0	(3.0)
Eastern Produce	June	3,360	(1,160)	1.5	(1.4)
Finlay, James	June	8,580	(4,730)	2.5	(2.0)
Finlay, Packgng.	June	609	(272)	0.75	(0.5)
Garfunkels	July	221	(130)	0.86	(—)
Gee, Cecil	July††	204	(64)	—	(—)
Grampian	June	444	(284)L	1.5	(1.5)
Grattan	July	884L	(1,000)	—	(1.0)
Hall Engineering	June	2,860	(3,410)	3.41	(3.41)
Hoskins & Horton	June	520	(271)	2.5	(2.0)
House of Fraser	July	4,590	(337)L	2.5	(2.0)
IDC	April	460	(511)	1.61	(1.46)
Inchcape	June	24,510	(24,350)	7.15	(7.15)
Jenks & Cattell	June‡‡	628	(170)	1.0	(0.5)
Laing, John	June	8,100	(4,000)	1.25	(1.0)
Leyland Paint	July	681L	(2,090)L	—	(—)
Liberty	June	94	(459)L	1.0	(0.4)
Lilleshall	June	3	(39)L	—	(—)
London & Cont.	June	268	(205)	—	(—)
Lorin	June	257	(155)	—	(—)
Mcdnld. Martin D.	June	474	(517)	3.0	(3.0)
Maclellan, P & W	June	21	(97)	0.5	(0.5)
Manders	June	2,220	(1,862)	2.0	(1.4)
Marshall Thomas	June	23L	(240)L	—	(1.2)
McBride, Robert	June	2,150	(2,200)	—	(—)
Metalrax	June	225	(616)	0.67	(0.64)
Miles 33	August	164	(40)	—	(—)
Molynx	June	17	(23)L	—	(—)
Moss Bros.	July	225	(135)	1.54	(1.05)
Neill, James	June	109	(137)	—	(—)
Newman Ind.	June	1,590	(64)	—	(—)
Nimslo	June	7,830L	(6,310)L	—	(—)
Northn. Eng. Ind.	June	20,150	(18,050)	1.65	(1.5)
Octopus Pub.	June	2,240	(1,970)	3.0	(—)
Oilfield Insp.	June	625	(585)	1.1	(1.0)
Pirelli UK	June	5	(2)	—	(—)
Planet Group	June	1,250	(622)	1.0	(0.7)
Riley Leisure	June	1,480	(515)	2.0	(1.5)
Spring Ram Corp.	July	635	(—)	1.0	(—)
Superdrug	Aug	2,880	(2,250)	1.4	(—)
Suter	June	1,020	(162)	0.75	(0.5)
Thomson T-Line	June	68L	(242)L	—	(—)
Tilbury Group	June	1,360	(955)	1.3	(1.2)
Tomatin Distills.	June	622L	(131)	—	(—)
Travis & Arnold	June	4,060	(2,550)	1.68	(1.4)
Watmoughs Hldgs.	June	748	(680)	1.7	(1.42)
Wiljay	June	26	(113)	1.15	(1.15)
Wilkes, James	June	73	(34)	1.5	(1.5)
Wills, Geo. & Sns.	June	620	(680)	2.5	(2.5)
Wimpey, George	June	8,200	(6,200)	0.85	(0.77)

(Figures in parentheses are for the corresponding period.)

* Dividends are shown net except where indicated. † Barker and Dobson. † Net profit. †† For 28 weeks. ‡‡ Compared with figures for previous 11 months. § Figures for nine months. L Loss.

Offers for sale, placings and introductions

Acorn Computers is joining the USM via an offer for sale of 11.23m shares of 1p each at a minimum price of 120p.

Hard Rock Cafe—Over the counter placing of shares.

Imperial Chemical Industries has applied for a New York Stock Exchange listing.

Memory Computer—Raising £2.76m by way of a placing of 1,173,513 new ordinary shares at 235p.

Saatchi and Saatchi—Offering 4.83m shares in the U.S.

Telemetrix—An offer for sale of 5,243,243 shares at 185p each, worth £9.7m.

Tottenham Hotspur is coming to the market for a full listing by way of an offer for sale of 3.8m shares at 100p each.

Rights Issue

Amalgamated Estates is raising £1.2m via a one for one rights issue at 7p per share.

APPOINTMENTS

Frank Gibb to become Taylor Woodrow chief

MR FRANK GIBB, joint managing director of TAYLOR WOODROW, is to become group chairman and chief executive on the retirement of Mr Richard Puttick in 1985, the company announced yesterday.

Mr Gibb, 56, has also been appointed joint deputy chairman of the company with immediate effect. Since he joined Taylor Woodrow in 1948, his career has been closely associated with the company's work in the energy field, including the construction of thermal and nuclear power stations, and more recently offshore oil development.

In 1960, he was appointed contracts manager with Taylor Woodrow Construction before becoming managing director in 1970. He joined the board in 1973 and later became chairman of the group's Construction, Engineering and Taywood-Santa-Fe companies.

Married with two sons and a daughter, Mr Gibb has also chaired the Agrément Board, the National Nuclear Group and the Federation of Civil Engineering Contractors' Council. He received the CBE in 1982.

★

Mr George B. Borwell, chairman of Greenham Trading, Mr Walter Hogbin, managing director of Taylor Woodrow International, and Mr H. Tony Palmer, director of Taylor Woodrow Construction are joining the parent company board on January 2, 1984. Mr Robert E. Aldred, joint deputy chairman and joint managing director, has decided to relinquish his directorship of Taylor Woodrow on December 31 but will continue to serve as a group consultant with particular responsibility for growth and expansion.

IVO DAWNAY

Operations director for Shell Expro

Mr Ian Henderson has been appointed director of operations for SHELL UK EXPLORATION AND PRODUCTION, from October 1. Based in Aberdeen, he will be responsible for the operations conducted by Shell Expro for the joint venture between Shell and Esso. He joined Shell in The Hague in 1959. Mr Henderson succeeds Mr Ric Charlton, who is to become chairman of Shell Group companies in Malaysia.

★

With the approval of the Governor of the Bank of England, Mr T. G. Barker, a director of Kleinwort Benson, has been appointed to succeed Mr John Hignett as director general of the COUNCIL FOR THE SECURITIES INDUSTRY and of the Panel on Take-overs and Mergers from January 1.

★

Sir David Roberts takes over as director-general of the MIDDLE EAST ASSOCIATION at the beginning of October. He succeeds Mr E. F. (Jock) Given, director-general for the past four years. Until recently Sir David was British Ambassador in Beirut. He also served as Ambassador to Syria and the United Arab Emirates. His other diplomatic postings included Baghdad, Alexandria, Khartoum and Dubai.

★

The INTERNATIONAL NEWSPAPER PROMOTION ASSOCIATION has appointed a new president. Mr David Teague, marketing director of T. Bailey Forman, Nottingham, outgoing president, hands over to Mr Terry Cassidy, managing director of George Outram and Co., Glasgow. He will be assisted by a new secretariat, Mr Eric van Veenstra (secretary) from the Netherlands, Mr Wolf Krüger (1st vice-president) of Süddeutsche Zeitung, West Germany, and Mr Eivind Thomsen (2nd vice-president) of Verdens Gang, Norway. There are four new directors: Mr Alan Maxwell, Irish Press Group, Mr Josef Burch, Tages-Anzeiger, Switzerland, Mr J. van Neerven (treasurer), Cebuco, Netherlands, and Mr Borje Alstrom, Sundsvalls Tidning, Sweden.

★

Mr W. E. McQuillen has been appointed divisional chief executive of the newly-formed HALMA U.S. division. Previously president of Halma's Post Glover Inc. healthcare equipment subsidiary, his responsibilities now extend to include Halma Holdings Inc. and Castell Safety Inc., the group's other U.S. interests.

★

JOSHUA TETLEY'S free trade sales director Mr Dick Forbes Watson is to take on additional board responsibilities and will be handing over the free trade role to Mr John Ragan. Before his promotion to the Joshua Tetley board Mr Ragan was a director of Halls Oxford and West, also a subsidiary of Allied Breweries.

★

Mr Clive Simkins has been appointed a director of HOGG ROBINSON (UK) from October 1. He will have overall responsibility for the UK marine cargo account and specific responsibility for the marine cargo division of the Birmingham branch.

★

JOHN FOSTER & SON has appointed Mr C. J. Renard as deputy managing director. The appointment follows the merger of John Foster and Son and E. A. Matthews and Co., of which Mr Renard is chairman and managing director.

★

COUNTY BANK has appointed Mr Paul Buchanan-Barrow and Mr David Lough as directors from October 1. Mr Peter Curtis, Mr David Lowes, Mr John Richardson and Mr Oliver Pawle become senior assistant directors. Mr Derk Brown, Mr Nicholas Coulson, Mr Michael Frank, Mr Jeremy Hicks and Mr Nicholas Wells become assistant directors.

★

PEAT MARWICK MITCHELL & CO has admitted the following as partners: Mr Ian J. Hudson, Mr John R. Hustler and Ms Sheila V. Masters, in London; and Mr Jack L. McLaren in Glasgow.

★

Mr Peter Baring has been appointed to the board of EGA, an MK Electric Group company as overseas and corporate development director. He joins from Barclays Bank. Mr Clive Robertson will be joining Ega as marketing director to replace Mr Andrew Scott who has been promoted to managing director of MK's South African subsidiary. Mr Robertson joined Ega from Simplex GE.

★

Mr Christopher F. Inman has been appointed executive secretary of EURABIA. He was formerly a researcher in the House of Commons concentrating on Middle Eastern affairs.

★

Mr R. Harvey Mansfield has been appointed to the board of AVON TYRES as marketing director from October 1. He joined Avon in 1959 as a salesman in Northern Ireland, and was appointed divisional manager in 1975.

★

Mr Michael J. Dowsett, director, MK Electric Group, and managing director, MK Electric, has been elected president of the Electrical Installation Equipment Manufacturers' Association (EIEMA).

Espley-Tyas form new division

Espley-Tyas Property Group has established a new division responsible for the management of non-property/construction trading activities, corporate acquisitions and disposals and joint ventures. Mr R. E. Burns has been appointed a director of Espley-Tyas Property Group in addition to his new responsibility as chief executive of Espley-Tyas Trading, the principal company within this new division. As a result of these changes and from October 1, Mr G. B. Gregory becomes chief executive of Espley-Tyas Development Group and will be responsible for Espley-Tyas Properties and the investments portfolio in addition to his present responsibilities. Mr P. J. Gilman, deputy chairman of Espley-Tyas Property Group with responsibilities for all UK divisional activities, becomes chairman of the new division.

★

Mr Peter Prophet has been appointed deputy managing director—services of POSTAL CENTRES (INTERNATIONAL), a member of the Taylor Harrison Group.

★

Mr Larry Tune, a former director of PA Management Consultants, will be joining COOPERS & LYBRAND ASSOCIATES as a director on October 1, based in Manchester.

★

WEDLAKE BELL has admitted Mr John Cowlishaw as a partner from October 1. At the same time Ms Suzanne Reeves and Ms Katherine Wallace have been appointed associates.

Finance chief for Jardine Insurance

Mr Ronald D. L. Urquhart has been appointed chief financial officer for all the worldwide reinsurance operations of the JARDINE INSURANCE BROKERS group. He has also been appointed a non-executive director of Jardine Thompson Graham. Mr Urquhart was formerly group financial director of the worldwide insurance operations of the Hong Kong and Shanghai Bank.

★

Mr Roger Dimbleby has been appointed to the board of NORTON OPAX as finance director; and Mr Colin Linn becomes managing director of Norton and Wright, a subsidiary of the Norton Opax group. Both appointments are from October 1.

★

Mr Richard Shakeshaft, area director of HAMBRO LIFE, has been appointed executive director and will take over responsibility for product marketing. Mr Ladislav Suchopar, executive director of Hambro Life, joins the board of Dunbar and Co.

★

Mr P. R. Rawson has been appointed a director of PA INTERNATIONAL AND STURGE UNDERWRITING AGENCY. Mr J. F. P. Cheetham has retired as a director but will remain a consultant.

★

Mr Ronald Frank Hill has been appointed financial director and company secretary of BARTON ABRASIVES.

★

INTERACTIVE DATA MACHINES has appointed Mr Neil Taylor as financial director. He joins from EDP, where he was financial controller.

★

Mr Leonard Jones, Portsmouth area manager with the SOUTHERN ELECTRICITY BOARD, has been appointed chief engineer from October 1 and will succeed Mr William Kerss, who has been appointed deputy chairman of the South Wales Electricity Board at its headquarters in Cardiff.

★

Mr Alan Kershaw and Mr Eric C. Langdon will become joint managing directors of BLACK CLAWSON INTERNATIONAL on October 1. Mr Kershaw was commercial director; and Mr Langdon was the deputy managing director.

Economic Diary

TODAY: Mr John Selwyn Gummer, Conservative Party chairman, attends Yorkshire Conservative Trade Unionists annual conference, York.

TOMORROW: Labour Party conference opens (until October 7) in Brighton.

MONDAY: Labour Party conference debates general election report, Brighton. Thames Water Authority publishes "Streamlining" plan. Mr Kenneth Baker, Information Technology Minister, opens new gantry mill, part of a £30m development plan at Northern Engineering Industries, Heaton.

TUESDAY: UK official reserves for September. Capital issues and redemptions during September. Housing starts and completions in August. Trade Unions within Triple Alliance launch anti-Tory offensive, Brighton.

WEDNESDAY: IMF executive board meets, Washington, to approve $480m 18-month standby credit programme for Portugal. Advance energy statistics for August. U.S.-Soviet strategic missile talks resume, Geneva.

THURSDAY: ACP/EEC begin two-day negotiations on renewal of Lomé Convention, Luxembourg.

FRIDAY: Labour Party conference ends with debates on electoral reform, the police, and the manifesto, Brighton.

BASE LENDING RATES

Bank	Rate	Bank	Rate
A.B.N. Bank	9½%	■ Hambros Bank	9½%
Al Baraka International	9½%	Heritable & Gen. Trust	9½%
Allied Irish Bank	9½%	■ Hill Samuel	§9½%
Amro Bank	9½%	C. Hoare & Co.	†9½%
Henry Ansbacher	9½%	Hongkong & Shanghai	9½%
Arbuthnot Latham	9½%	Kingsnorth Trust Ltd.	11%
Armco Trust Ltd.	9½%	Knowsley & Co. Ltd.	10%
Associates Cap. Corp.	9½%	Lloyds Bank	9½%
Banco de Bilbao	9½%	Mallinhall Limited	9½%
Bank Hapoalim BM	9½%	Edward Manson & Co.	10½%
BCCI	9½%	Meghraj and Sons Ltd.	9½%
Bank of Ireland	9½%	Midland Bank	9½%
Bank Leumi (UK) plc	9½%	■ Morgan Grenfell	9½%
Bank of Cyprus	9½%	National Bk. of Kuwait	9½%
Bank of Scotland	¤9½%	National Girobank	9½%
Banque Belge Ltd.	9½%	National Westminster	9½%
Banque du Rhone	10½%	Norwich Gen. Tst.	9½%
Barclays Bank	9½%	R. Raphael & Sons	9½%
Beneficial Trust Ltd.	10½%	P. S. Refson & Co.	9½%
Bremar Holdings Ltd.	9½%	Roxburghe Guarantee	10%
Brit. Bank of Mid. East	9½%	Royal Trust Co. Canada	9½%
■ Brown Shipley	10%	Standard Chartered	‖9½%
CL Bank Nederland	9½%	Trade Dev. Bank	9½%
Canada Perm't Trust	10½%	TCB	9½%
Castle Court Trust Ltd.	10%	Trustee Savings Bank	9½%
Cayzer Ltd.	9½%	United Bank of Kuwait	9½%
Cedar Holdings	10%	United Mizrahi Bank	9½%
■ Charterhouse Japhet	9½%	Volkskas Intnl. Ltd.	9½%
Choulartons	10½%	Westpac Banking Corp.	9½%
Citibank Savings	¶10½%	Whiteaway Laidlaw	10%
Clydesdale Bank	9½%	Williams & Glyn's	9½%
C. E. Coates	10%	Wintrust Secs. Ltd.	9½%
Comm. Bk. of N. East	9½%	Yorkshire Bank	9½%
Consolidated Credits	9½%		
Co-operative Bank	*9½%		
The Cyprus Popular Bk.	9½%		
Dunbar & Co. Ltd.	9½%		
Duncan Lawrie	9½%		
E. T. Trust	10%		
Exeter Trust Ltd.	10½%		
First Nat. Fin. Corp.	11½%		
First Nat. Secs. Ltd.	11½%		
Robert Fraser	10%		
Grindlays Bank	‡9½%		
■ Guinness Mahon	9½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 6%, 1-month 6.25%. Short-term £8,000/12-months 8.9%.
† 7-day deposits on sums of: under £10,000 6%, £10,000 up to £50,000 7%, £50,000 and over 8%.
‡ Call deposits £1,000 and over 6%.
‖ 21-day deposits over £1,000 7%.
§ Demand deposits 6%.
¶ Mortgage base rate.
¤ Money Market Cheque Account—9.06%. Effective annual rate—9.43%.

MONTHLY AVERAGES OF STOCK INDICES

—	Sept.	Aug.	July	June
Financial Times				
Government Securities	81.01	72.37	80.21	82.53
Fixed Interest	83.28	82.24	83.14	84.30
Industrial Ordinary	704.3	724.4	697.2	710.0
Gold Mines	652.7	664.5	652.1	634.8
Total Bargains	12,905	12,624	20,109	22,223
F.T.—Actuaries				
Industrial Group	435.69	447.37	407.55	442.38
500 Share	405.42	425.07	480.27	482.44
Financial Group	282.21	332.42	328.07	327.20
All-Share (750)	448.05	450.65	443.46	446.23

	Sept. High	Sept. Low
Industrial Ordinary	714.5 (9th)	694.0 (27th)
All-Share	454.25 (8th)	442.25 (10th)

EUROPEAN OPTIONS EXCHANGE

Series		Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	May Vol.	May Last	Stock
UNIL P	F.220	0	0.50	71	3.50	—	—	"
EOE C	F.145	—	—	1	3.30	—	—	F.147.50
EOE C	F.150	—	—	6	0.80	7	9.20	"
EOE P	F.140	—	—	5	2.20	—	—	"
EOE P	F.145	—	—	15	4.30	—	—	"

TOTAL VOLUME IN CONTRACTS: 17,170

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Sept. 30 Total Contracts 3,913 Calls 2,986 Puts 926

* Underlying security price.

Index back above 700 in quiet end-Account trading

ICI good again—Golds depressed

Account Dealing Dates
Option

*First Dealings	Declara-tions	Last Dealings	Account Day
Sept 19	Sept 29	Sept 30	Oct 10
Oct 3	Oct 13	Oct 14	Oct 24
Oct 17	Oct 27	Oct 28	Nov 7

* "New-time" dealings may take place from 8.30 am two business days earlier.

A two-week Account almost completely overshadowed by the BP 130m share issue, ended quietly yesterday. Investment enterprise was again virtually non-existent and end-Account influences were exacerbated by the fact that yesterday was the end of the accounting year for leading jobbers Akroyd and Smithers.

Proceedings in the equity market were again enlivened by ICI, which rose 6 for a two-day advance of 24 at 552p, after 562p, on a combination of U.S. and domestic buying in the wake of Thursday's announcement that the group has applied for a New York listing for the ADR facility. Imperial Group and Dunlop also made significant impact on the FT 30-share index, which edged up through the 700 level and closed 2.9 higher at 702.6 to reduce its loss on the week to 4.3 but leaving a rise of 8.4 on the Account.

Elsewhere, Irish oil exploration issues continued to attract a fair amount of speculative support with Atlantic Resources, Eglinton and Bula prominent. Leading Oils became subdued; BP new shares closed the week 6 up on the 200p partly-paid issue price after having touched 220p early on Monday. The major clearing banks took a turn for the worse on bad debt worries, but a late rally helped prices to close well above the day's lowest.

The gilt market was listless. The Bank of England's optimism about the UK's economic recovery in its latest Quarterly Bulletin had no apparent effect on sentiment. Business was again inhibited by frustrated hopes of a cut in interest rates.

Official dealings in the undersubscribed £1bn Treasury 9¾ per cent Convertible tap stock opened, but the £30 partly-paid went untested. Short-dated maturities closed with movements of 1/16 either way, while longer-dated stocks were ⅛ easier in places. The FT Government Securities index closed fractionally lower at 81.88. Late sentiment was not helped by reports that Bankers Trust of New York had raised its broker loan rate a full point to 11 per cent.

A depressing Account for South African gold shares ended with prices wilting further on lack of support and the easier metal price. The FT Gold Mines index ended the day 20.2 lower making a fall of 43.9 on the week and 60.8 on the Account at 581.3.

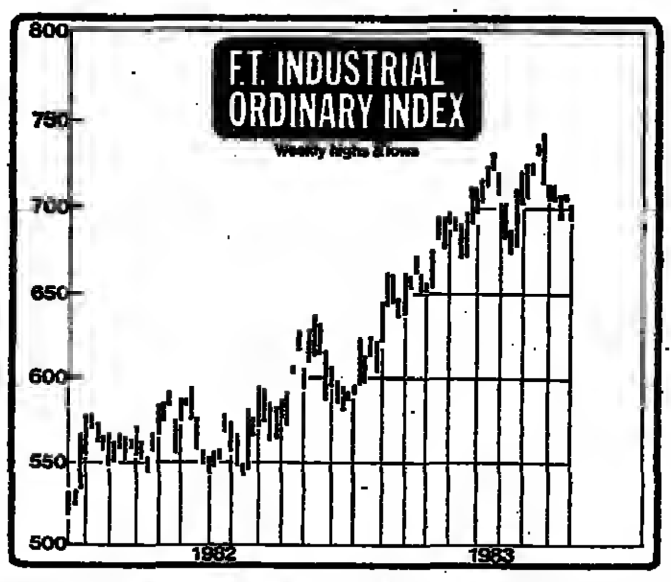
Sudden selling pressure on Barclays undermined clearing banks, although most closed above the day's lowest. Barclays fell to 450p prior to settling 13 down on balance at 457p, while Lloyds, 495p, and NatWest, 608p, gave up 10 apiece. Midland slipped to 425p but rallied to end only a net 3 down at 432p. Among Merchant Banks, Kleinwort Benson suffered revived nervousness over the recent profits warning and closed 9 down at 315p. Grindlays were another unsettled counter, ending with a loss of 7 at 140p.

Eagle Star remained the focal point in Insurances but, after fluctuating between a higher opening level of 497p and 488p, finished unchanged on the day at 490p.

Leading Breweries retained a firm tone with sentiment again helped by talk of imminent beer price increases. Bass were again to the fore, rising 3 for a gain of 10 on the week at 328p, while Whitbread, 135p, and recent speculative favourite Scottish and Newcastle, 95½p, both hardened a couple of pence. Elsewhere in the drinks sector, Arthur Bell hardened 3 to 143p in front of next Tuesday's preliminary results, while Macallan-Glenlivet were marked 20 higher to 630p following the 27 per cent upturn in interim profits.

UBM eased to 124p before closing a net ½ cheaper at 125p; yesterday, Norcros bought 1.56m UBM shares at 125p per share and dealers expect the latter's contested offer for the company to succeed. Precious little interest was shown in leading Buildings and most quotations barely stirred, but London Brick encountered end-Account offerings and closed 2 off at 87p, after 86p. Rugby Portland Cement improved a fraction to 100½p; the interim results are due on Monday. Elsewhere, Robert M. Douglas firmed 3 to 61p; Fairclough Construction has acquired a 5.69 per cent stake in the company. Helical Bar, the subject of an agreed 65p per share offer from Excnt Corporation, put on 4 to 84p on shell operation suggestions. Ruberoid edged forward a couple of pence to 302p; the interim statement is due next Wednesday.

A combination of strong U.S. and domestic support in the wake of the group's decision to apply for a New York listing for the ADR facility prompted ICI to equal its 1983 peak of 562p; the price drifted back in the late dealings in the absence of further American interest and closed 6 up on balance at 552p for a rise of 24 on the week. Among other Chemicals, Laporte attracted revived interest following a meeting with analysts and touched 300p before settling a net 12 up at 292p. In contrast, Brent Chemicals shed 3 for a fall on the week of 26 to 83p in the wake of the disappointing interim results. Dealings in Dixor-Strand were suspended at 32p pending publication of reorganisation particulars; discussions are in progress with Henna (Hair Health) with a view to a merger.



A generally disappointing Account for Store leaders closed on an uninspiring note with most holding close to the overnight positions. Further consideration of the interim results clipped 2 from House of Fraser, 238p, although Burton, helped by talk that the John Collier/Richard Shope management buy-outs will succeed after all, added that much to 340p. The lukewarm Press reaction to the first-half statement prompted dullness in Superdrug stores, 6 off at 250p, while Harris Queensway, which also announced interim figures on Thursday, gave up 4 to 290p, after 288p. Among smaller-priced issues, K. O. Boardman provided a late feature, spurting 4 to 12½p following news that Wrenette has disposed of its entire holding in the company with the majority of the shares being purchased by Loanpure.

Amstrad rise

Secondary Electricals due to report trading statements featured with Amstrad jumping 33 to 488p, after 492p, ahead of Wednesday's preliminary results. Air Call, due to announce interim figures sometime this month, moved up 25 to 400p. Suter improved 2 further to 74p, still reflecting the optimistic view which accompanied good first-half figures. Microlease were raised 12 to 160p, but Mnemos came back 4½ to 46½p amid talk of adverse comment and renewed profit-taking lowered Security Tag 30 to 480p. Of leading stocks, Hong Kong concern took Cable and Wireless down 8 more to 420p.

Hawker Siddeley attracted revived small support and gained 4 to 300p but trading in other Engineering leaders was lethargic. In front of Thursday's interim statement, Spear and Jackson rose 6 to 114p, but APV continued to reflect disappointment with the half-year profits and slipped 5 more to 320p. Cocksedge tumbled late on the passed Preference and Ordinary dividends which accompanied the heavier loss and closed 5 down at 21p. Press comment took Habit Precision up 2 to 58pp, but renewed profit-taking brought Vosper back 10 more to 235p. Elsewhere, Westland picked up 3 at 147p and ML Holdings advanced 6 to 264p.

Leading Foods were largely neglected, but selected secondary issues made progress. Associated Fisheries firmed 5 to a 1983 peak of 74p and Bassett rose the same amount to 97p. Danish Bacon put on 6 for a two-day gain of 16 to 80p in a thin market.

Ladbroke continued to attract institutional interest and firmed 4 more to 216p.

Fresh U.S. support helped Glaxo to advance 15 to 815p, after 825p, but movements of note among other Miscellaneous Industrials leaders were few, and generally lower. London and Liverpool, yesterday's star, returned to prominence and moved sharply lower to 42p before rallying smartly to the overnight level of 54p. Twinlock soon returned from suspension following the Acco World agreed bid of 71p cash per share and closed at 68p. Bath and Portland were another good spot at 132p, up 6 while further speculative demand took Dolland up 10 more to 325p.

The sector had many casualties, however, with Inter-City particularly uneasy at 71p, down 6 for a week's loss of 13. Chemical Methods tumbled 15 more to 55p on fears that the company may miss its profits forecast; the interim results are due soon.

Still unsettled by the first-half loss, Jardine Matheson reacted 4 more to 76p, but Fitzwilton picked up 4 at 60; the movement in the latter was more a reflection of the latest strength in Atlantic Resources than of the annum results. UKO International came under pressure again and fell 5 to 80p, while Star Computer shed 15 to 290p and Pentlow were marked down 20 to 50p. Elsewhere, Marshall's Universal flared into prominence at 56p, up 8, but Smith's Industries slipped 6 to 417p.

Leisure concerns plotted an irregular course in thin trading. Riley Leisure dipped 4 to 181p following profit taking in the wake of the recent interim results. Trident TV drifted down 1½ to 99p, but Associated Leisure improved 4 to 109p.

Down 10 on Thursday following the announcement of temporary lay-offs following the decision to cease production of the Ambassador model, BL rallied 3 but retained a loss on the week of 14 at 58p. Motor Distributors were irregular; Belfast-based concern Charles Hurst advanced 7 to 90p, albeit in a thin market, following the interim profits, while Hanger Investments firmed the turn to 30p after announcing a return to profits at the mid-term stage. Lex Service, however, succumbed to end-Account influences and eased 5 to 318p, while Henlys, a rising market recently reflecting QPR chairman Mr Jim Gregory's interest in the company, eased a couple of pence to 81p.

Leading Properties drifted progressively lower, scrappy selling and the absence of buyers clipping 5 from Land Securities, 309p, and a couple of pence from MEPC, 216p. Elsewhere, Amalgamated Estates shed a penny for a two-day fall of 5½ to 8p, after 7½p, on the doubled annual loss and rights issue proposal. London Provincial Shop gave up 8 to 300p on lack of interest.

Tootal eased a penny to 33p after announcing reduced mid-term profits, mainly due to another poor performance from the group's operations in Australia and South Africa.

Among Tobaccos, Bats lacked quality support and drifted 4 to 144p, but Imperial attracted interest in the wake of a broker's circular and rose that much to 119p.

While Akroyd and Smithers' jobbers were squaring their books following the end of the firm's financial year, the company's shares, 7 up at 393p, continued to make headway on consideration of Mercantile House's plans to acquire a Stock Exchange member firm if a change in present rules allows. Mercantile held at 372p. Other Financials traded quietly, although Exco International added 10 more at 538p in a restricted market. Still unsettled by the profits warning from Apple Computer of the U.S., Abingworth gave up 3 for a fall on the week of 28 at 280p; Abingworth holds a sizeable stake in Apple and is also due to reveal preliminary results during the next Account.

Irish Oils active

Speculative Irish Sea issues again featured Oils with Atlantic Resources rising 40 to 515p. Eglinton touched 290p before settling 10 down on balance at 270p, but Bula Resources put put on 4 to 24p. Elsewhere, Candecca put on 10 to 155p, after 165p, after comment on Humbly Grove prospects and the announcement that KCA International had agreed to acquire a 29.9 per cent stake in the company. KCA International rose 8 to 49p, after 50p, while KCA Drilling firmed 2 to 38p. Sun (UK) Royalty drew fresh support, also on exploration hopes, and rose 10 for a gain on the week of 85 to a 1983 peak of 370p.

Inchcape continued to react to scattered selling in the wake of last Tuesday's uninspiring interim statement and gave up 4 to record a fall on the week of 34 at 279p. James Finlay, which announced encouraging first-half figures on Thursday, encountered sporadic profit-taking and eased 4 to 134p. Despite call option activity, Tozer Kemsley and Millbourn dipped 3 to 29p. Walter Duncan and Goodricke held at 600p, after 620p, the smart recovery in interim profits being offset by the board's cautious statement regarding second-half trading.

Golds at 6-month low

Another poor week in mining markets saw South African Golds drop to their lowest levels for six months.

Heavily sold in London markets on Thursday, Golds met further selling in overnight American markets and consequently opened sharply lower in London.

A minor rally developed which continued until the late afternoon when a rise in U.S. broker loan rates prompted renewed U.S. offerings.

The Gold Mines index was left showing a fall of 20.2 at 581.3, extending the decline over the week to 3.9.

Heavyweights provided the features in Golds with losses of around £2 and sometimes more common to Randfontein, £89½, Winkelhaak, £27¾, Southvaal, £40¾, and Vaal Reefs, £75½.

Cheaper-priced issues were highlighted by Zandpan, which dropped 16 more to a 1983 low of 902p, West Rand Consolidated, which fell 57 to 58p and Vlakfontein, 23 o: at 227p.

The bullion price, which threatened to drop below $400 an ounce in overnight U.S. markets, closed a net $2.75 lower at $406.875—$6.25 down on the week.

RTZ were a feature in London Financials and dropped to 600p before recovering to close a net 9 lower at 605p following the sharp sell-off in copper in overnight U.S. markets. Gold Fields were 7 down at 555p and Charter 5 cheaper at 233p.

Platinums proved vulnerable to the losses in other South African mining issues and weak free market platinum prices. Impala dropped 45 to 820p and Rustenburg 35 to 675p.

A nervous Australian market fell sharply at the outset but steadied in later trading, helped by the calmer trend in precious and base metals.

Golds were hard-hit by heavy losses in overnight domestic markets and Gold Mines of Kalgoorlie dropped 0 to 660p while Poseidon closed a net 22 cheaper at 325p.

In the leading base-metal issues, North Broken Hill, a firm market recently, eased 2 to 205p following the sharply increased profits and divedends, while Western Mining were quoted at 253p ex the entitlement to the recent-options issue; the options were changing hands at around 146p.

An active business in the underlying shares of British Petroleum and ICI gave a much-needed boost to activity in Traded Options and total contracts struck amounted to 3,612—the highest since early August; the week's daily average was 2,501. BP recorded 341 calls with the October 390's and 420's accounting for 152 trades apiece. ICI attracted: the October 550 calls recorded 295 trades closed 6 better at 17p, while the January 550's attracted 212 trades and rose 10 to 36p.

FINANCIAL TIMES STOCK INDICES

	Sept. 30	Sept. 29	Sept. 28	Sept. 27	Sept. 26	Sept. 23	year ago
Government Secs.	81.88	81.90	82.07	82.13	82.45	82.17	79.54
Fixed Interest	84.29	84.19	84.20	84.15	84.30	84.09	80.28
Industrial Ord.	702.6	699.7	696.9	694.0	702.5	706.9	579.4
Gold Mines	581.3	601.5	622.6	625.7	634.5	625.2	358.9
Ord. Div. Yield	4.76	4.78	4.81	4.84	4.78	4.76	4.92
Earnings, Yld.% (full)	9.46	9.51	9.56	9.61	9.50	9.46	10.90
P/E Ratio (net) (*)	13.24	13.17	13.09	13.03	13.18	13.24	11.00
Total bargains.	21,200	21,024	19,007	21,349	20,786	19,773	18,610
Equity turnover £m.	—	180.77	165.75	161.61	207.01	194.879	168.10
Equity bargains	—	15,180	13,875	15,655	17,321	15,409	15,980
Shares traded (ml)	—	126.4	98.9	111.2	126.3	122.5	124.7

10 am 700.4. 11 am 700.8. Noon 700.0. 1 pm 700.4. 2 pm 700.4. 3 pm 699.8.

Basis 100 Govt. Secs. 15/1/26. Fixed Int. 1928. Industrial 1/7/35. Gold mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

Nil=12.45.

HIGHS AND LOWS

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.60 (15/6)	77.06 (24/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	84.74 (15/6)	79.03 (1/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	740.4 (22/8)	598.4 (12/1)	740.4 (22/8/83)	49.4 (26/6/40)
Gold Mines	734.7 (15/2)	531.5 (29/6)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Sept. 29	Sept. 28
—Daily		
Gilt Edged Bargains	128.8	169.2
Equities Bargains	98.4	89.9
Value	365.4	331.0
5-day Avrge		
Gilt-Edged Bargains	158.1	160.8
Equities Bargains	100.3	100.9
Value	375.5	378.9

LEADERS AND LAGGARDS

Percentage changes since December 31, 1982, based on Thursday, September 29, 1983.

Newspapers, Publishing	+51.59	Food Retailing	+15.83
Other Industrial Materials	+48.62	500-share Index	+14.75
Oils	+46.04	Health and H'sehold Products	+13.51
Motors	+42.91	Property	+13.05
Shipping and Transport	+41.84	Insurance Brokers	+12.92
Chemicals	+37.82	Metals and Metal Forming	+11.08
Office Equipment	+34.21	Industrial Group	+ 8.90
Packaging and Paper	+32.94	Discount Houses	+ 8.95
Other Groups	+30.26	Gold Mines Index	+ 5.09
Insurance (Composite)	+29.01	Consumer Group	+ 7.88
Banks	+28.36	Building Materials	+ 7.00
Other Consumer	+27.20	Food Manufacturing	+ 4.65
Mining Finance	+26.49	Capital Goods	+ 4.48
Overseas Traders	+25.65	Stores	+ 4.11
Merchant Banks	+25.62	Engineering Contractors	+ 3.36
Insurance (Life)	+25.58	Mechanical Engineering	+ 0.44
Financial Group	+23.34	Brewers and Distillers	− 2.17
Investment Trusts	+22.99	Electricals	− 3.46
Leisure	+22.56	Tobaccos	− 3.98
Textiles	+21.98	Contracting, Construction	− 5.10
All-share Index	+16.91		

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Sept 26	Oct 7	Dec 22	Jan 3
Oct 10	Oct 21	Jan 5	Jan 16
Oct 24	Nov 4	Jan 19	Jan 30

For rate indications see end of Share Information Service

Money was given for the call in Samantha, Atlantic Resources, Phoenix Properties, W. E. Norton, Brown and Tawse, Cultus Pacific, Jardine Matheson, London and Liverpool and Tozer Kemsley and Millbourn.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

FIXED INTEREST

PRICE INDICES	Fri Sept 30	Day's change %	Thurs Sept 29	xd adj. today	xd adj. 1983 to date
British Government					
1 5 years	117.36	+0.08	117.27	—	8.44
2 5-15 years	130.29	+0.02	130.27	—	10.70
3 Over 15 years	140.44	−0.01	140.44	—	10.29
4 Irredeemables	152.73	—	152.73	—	8.90
5 All Stocks	129.16	+0.03	129.12	—	9.86
6 Debentures and Loans	104.34	+0.06	104.28	—	8.36
7 Preference	77.78	+0.44	77.44	—	5.71

AVERAGE GROSS REDEMPTION YIELDS		Fri Sept 30	Thurs Sept 29	Year ago (approx.)	1983 Highs	1983 Lows
British Government						
1 Low	5 years	9.84	9.82	8.88	10.18 (11/8)	8.69 (5/1)
2 Coupons	15 years	10.04	10.03	10.36	10.91 (24/1)	9.80 (13/6)
3	25 years	9.75	9.74	10.54	11.18 (31/1)	9.47 (13/6)
4 Medium	5 years	11.18	11.16	11.30	12.16 (12/1)	10.98 (13/6)
5 Coupons	15 years	10.85	10.84	11.37	12.16 (24/1)	10.52 (13/6)
6	25 years	10.31	10.30	10.85	11.76 (24/1)	9.89 (13/6)
7 High	5 years	11.23	11.23	11.37	12.29 (12/1)	11.05 (13/6)
8 Coupons	15 years	11.06	11.05	11.57	12.28 (24/1)	10.71 (13/6)
9	25 years	10.40	10.40	11.02	11.82 (24/1)	10.05 (13/6)
10 Irredeemables	†	9.75	9.74	10.61	11.07 (2/2)	9.49 (13/6)
11 Debs & Loans	5 years	12.06	12.07	12.33	12.99 (1/2)	11.78 (13/6)
12	15 years	11.96	11.96	12.52	12.88 (2/2)	11.84 (14/6)
13	25 years	11.89	11.89	12.53	12.90 (4/2)	11.85 (26/9)
14 Preference	†	12.56	12.61	13.37	13.24 (24/1)	11.97 (1/7)

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Other Industrial Materials	31/12/80	287.41	Other Financial	31/12/70	128.06
Other Consumer	31/12/80	238.14	Food Manufacturing	29/12/67	114.13
Health/Household Prods.	30/12/77	261.77	Food Retailing	29/12/67	114.13
Other Groups	31/12/74	63.75	Insurance Brokers	29/12/67	96.67
Overseas Traders	31/12/74	100.00	Mining Finance	29/12/67	100.00
Engineering Contractors	31/12/71	153.84	All Other	10/4/62	100.00
Mechanical Engineering	31/12/71	153.84	British Government	31/12/75	100.00
Office Equipment	16/1/70	162.74	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72

† Flat yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.

CONSTITUENT CHANGES: Howard Machinery (6), Jones and Shipman (6), James Neill (6), Spear and Jackson Int'l (6), Wellman (6), Lee (Arthur) (8), Lester (35), M.Y. Dart (39), Reardon Smith Line (45) and Leopold Joseph have been deleted and replaced by Johnston Group (2), Comben Group (3), Bespak (27), Riley Leisure (29), Carlton Communications (46), DPCE Holdings (46), Datastream (46), Dominion Int'l Group (46), Sidlaw Group (46) and Systems Designers Int'l (46) respectively. NAME CHANGE: Fitch Lovell is now Dee Corporation. RECLASSIFICATIONS: Barlow Holding (91) to (70), Fairview Estates (3) to (69), London and Northern Group (3) to (46) and RFD Group (35) to (46).

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (35)

CORPORATION LOANS (5)
Serts. 6¼pc '85-87; LCC 5½pc 1985-87; L'pool 6¼pc '80-84; Sund'land 12¼pc '84; LCC 5½pc 1982-84

AMERICANS (3)
Brunswick Corp.; Quaker Oats; Florida Pwr. & Light

CANADIANS (1)
Seagram

BREWERS (1)
Macallan-Glenlivet

BUILDINGS (1)
Whittingham (Wm.)

STORES (2)
Boardman (K. O.); Cantors A

ELECTRICALS (2)
Air Call; Suter

ENGINEERING (1)
Brown & Tawse

FOODS (2)
Assoc. Fisheries; Low (Wm.)

INDUSTRIALS (4)
Elbief; Sale Tilney; Francis Inds.; Twinlock

LEISURE (1)
Trident TV A

PAPER (1)
Cropper (James)

SHOES (1)
Lambert Howarth

TRUSTS (9)
Crescent Japan; G.T. Japan; Energy Res. Servs.; Jove Inv. Inc.; English & Internatl.; Rosedimond; Fleming Japanese; Akroyd & Smithers; Do. 8

OILS (1)
Sun Oil (UK)

NEW LOWS (19)

CHEMICALS (2)
Brent Chemicals; Internatl. Paint

ELECTRICALS (3)
Immed. Bus. Systs.; Racal Elect.; Mnemos

ENGINEERING (1)
Staveley Inds.

INDUSTRIALS (8)
Ashley Indl.; Johnson Matthey; Assocd. Brit. Eng'g; Lon. & Liverpool Tst.; Combined Tech.; Pentlow; Jardine Matheson; Wills (George)

NEWSPAPERS (1)
Metal Bulletin

PROPERTY (2)
Amal. Estates; York Mount

TRUSTS (1)
Abingworth

MINES (1)
Zandpan Gold

RISES AND FALLS

	Yesterday			On the week		
British Funds	11	11	79	126	217	162
Corporations, Dom. and Foreign Bonds	19	6	47	61	44	287
Industrials	207	269	904	974	1,357	4,569
Financial and Props.	49	99	372	402	600	1,598
Oils	20	34	57	115	165	275
Plantations	2	—	19	18	10	77
Mines	91	8	66	231	238	361
Others	50	64	77	250	351	351
Totals	449	492	1,621	2,177	2,982	7,660

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Atlantic Res.	515	+50	Inter-City Inv.	71	− 5
Barclays Bank	457	−13	Laporte Indusis.	292	+12
BP	434	− 5	RTZ	605	− 8
Candecca Res.	155	+10	Southvaal	£40¾	− 2
Eglinton Oil and Gas	270	−10	Sun Oil (UK) Royalty.	370	+10
ICI	552	+ 6	UBM	125	− 0½

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
Eagle Star	25	490	+ 7	Edenspring In.	13	12½	− 0½
ICI	20	546	+18	Ladbroke	13	212	+ 7
Polly Peck	17	£27½	+ 2¼	Vosper	13	245	−20
Glaxo	15	800	+15	Britannia Arr.	12	92	− 3
GEC	14	190	− 2	RTZ	12	614	−11
Metal Sciences	14	35	+ 4	BSR Intl.	11	145	− 5
Barratt Devs.	13	196	− 4	N. Brit. Props.	11	155	+ 3

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of changes	Thurs. close	Change on week	Stock	No. of changes	Thurs. close	Change on week
Eagle Star	98	490	+35	BTR	65	548	+11
ICI	78	546	+12	Beecham	65	318	− 7
GEC	72	190	− 8	Barratt Devs.	64	196	−10
Glaxo	71	800	+15	BP (partly pd.)	64	210	*− 2
Cbl. & W'less	68	428	−29	RTZ	60	614	−26
BSR Intl.	67	145	−15	Dalgety	59	396	− 5
BAT Industs.	66	148	+ 4	Thorn EMI	58	605	+ 3

* Based on opening price.

RECENT ISSUES

EQUITIES

FIXED INTEREST STOCKS

"RIGHTS" OFFERS

هكذا من الأصل

23

FIRST-HALF SURGE MARRED BY SECOND QUARTER RETURNS

Refinery side hits Elf Aquitaine

BY DAVID MARSH IN PARIS

ELF AQUITAINE, the French state - controlled oil and chemicals group, yesterday announced sharply higher first half net profits at FFr 2.78bn (US$347m) compared with FFr 1.24bn in the same period last year.

However, the second quarter results showed a small loss as a result of a seasonal fall in gas production, a sharp worsening in refinery activities and growing losses in oil tanker operations, chemicals and nickel.

Elf said the negative factors which affected the second quarter would continue to weigh on the performance for the rest of the year. As a result, the overall profit for 1983 is unlikely to be much different from the result in 1982, when the group made net profits of FFr 3.53bn, thanks above all to receipt of FFr 1.59bn in funds recovered from Iran.

Turnover in the first half rose to FFr 57.86bn from FFr 55.24bn in the first six months of 1982 and FFr 30.25bn in the first 1983 quarter.

The first half net profit figure — representing FFr 31 a share against FFr 14 in the first half last year, compared with a profit of FFr 2.91bn at the first quarter mark, showing that Elf made a loss of FFr 130m in the second three months.

The overall improvement in the first half figures compared with last year was caused above all by better results in refining and distribution. In hydrocarbon production, results stagnated as the rise in the dollar hardly compensated for the fall in the international oil price and increased exploration costs.

Refining business remained in the red in the first half, breaking even in the first quarter but making a FFr 750m loss in the second. The French Government's recent decision to modify its price-fixing agreement with oil companies in order to hold down increases in petrol prices caused by the strong dollar looks certain to aggravate Elf's second-half refining problems.

Parent company profits in the first half rose to FFr 967m from FFr 115m in the same 1982 period and FFr 2.24bn for the whole of last year.

Management reshuffle at Peugeot

By Paul Betts in Paris

PEUGEOT, France's financially-troubled private car group, announced yesterday a top management reshuffle which extends the executive powers of M Jacques Calvet, the former chairman of Banque Nationale de Paris who joined the car group in 1982.

M Calvet is now to become president of Peugeot's Citroen car division. He already was president of the group's Peugeot and Talbot car divisions.

The extension of his powers to Citroen effectively makes him the man responsible for all the day-to-day business activities of the car group. Although M Jean Paul Parayre remains chairman of the Peugeot group board, M Calvet is now clearly more than second in command.

The top management shake-up is being presented by the car group as a streamlining of the company's senior management structure. M Parayre, as chairman, will be responsible for long-term strategy. M Calvet will be in charge of running the car divisions.

Montedison confident on outlook

BY RUPERT CORNWELL IN ROME

MONTEDISON, the long troubled Italian chemicals group, last night reported a rise of over 12 per cent in first half turnover to L5,019bn ($3.14bn), and said that it expects a significant improvement in overall operating results this year.

For 1982 the group, which is now embarked on a major restructuring and rationalisation programme, recorded an unprecedented loss of L758bn, largely as a consequence of high debt servicing charges, problems on the petrochemicals side, and the generally depressed state of the European chemicals industry. It is expecting a return to profit by 1985.

Montedison also announced yesterday that total debts of the group declined in the first six months by L225bn to L3,872bn while its petrochemicals difficulties have been alleviated by the transfer of many of its plants to the state energy group ENI, as part of an overall re-organisation of the sector in Italy.

The Italian market remains largely stagnant, the company observed, due to continuing recession. However, it expressed some confidence that foreign business was improving, while the plastics sector was also showing signs of recovery after a particularly poor first quarter.

New $363m Kaiser Steel bid

BY GORDON CRAMB IN NEW YORK

KAISER STEEL, the large but loss-making West Coast U.S. steel concern, has received a revised leveraged buy-out proposal from a group of Oklahoma investors which values the company at some $363m.

The group, led by Mr J. A. Frates of Tulsa, was earlier this month rebuffed by Kaiser when it made an initial offer worth some $270m. The Frates move runs counter to an already agreed bid from another private investors' group led by Mr Irwin Jacobs.

The first Frates proposal involved a cash element of $27.50 a share against the Jacob's group's $19.50. This time, however, the Frates bid would provide holders of Kaiser' 7.267m shares with only $22 in cash, the remainder in each case being drawn from Kaiser's existing substantial cash resources with the issue of preferred stock.

Under the Frates plan, part of the funding would also come from a $100m five-year term loan arranged with Citibank of New York—less than the $150m which the group was originally seeking to raise on Kaiser's behalf, thus placing a greater reliance on the company's cash.

The new bid puts a total value of $50 a share, compared with $44.50 for the earlier proposals.

At the same time, a group led by Mr Ivan Boesky has boosted its stake in Kaiser to 7.6 per cent. He is believed to be considering a full bid.

Grupo Alfa near deal with banks over debt

By William Chislett in Mexico City

GRUPO INDUSTRIAL ALFA, Mexico's largest and troubled private enterprise, with accumulated foreign debts of $2.3bn, is in an advanced stage of negotiations with international banks over capitalising about $350m of its holding company debt which totals $1bn.

Agreement would represent a major breakthrough for Alfa and its backers who for the past 18 months have been trying to extricate themselves from a complex financial mess.

Alfa, with interests in steel, petrochemicals, tourism, paper and packaging and capital goods, suspended principal repayments in April 1982 and in August of that year deferred most interest payments.

Protracted discussions are being held over the exact size of the holding company debt to be included in this arrangement and what portion would be capitalised.

The holding company's total debt is $1bn if debts to Alfa group companies, guaranteed by the holding company, are included. Extracting such debts leaves a sum of $700m.

Alfa, which made a loss of 32.2bn pesos ($536.6m—at last years average exchange rate) has been squeezed by the 82 per cent devaluation of the peso after greatly over-extending itself on the back of foreign borrowing.

Meanwhile, it is understood that Alfa has reached agreement with Philips, the Dutch electronics firm, to sell its consumer electronics company PAM. The Mexican government has given its approval for Philips to have 100 per cent ownership. However, bank lenders to PAM are objecting to the terms of the sale.

U.S. offshoots boost earnings at Toyota

BY YOKO SHIBATA IN TOKYO

TOYOTA MOTOR, the world's second largest car manufacturer, yesterday reported its first consolidated result since the merger of the manufacturing and sales arms of the group's parent in July 1982. Net profits were Y228bn ($962m) on sales of Y5,324bn.

The result includes contributions from five domestic subsidiaries and for 11 overseas. Most of the group's Y56.8bn pre-tax profit, considerably higher than the Y399m pre-tax profit made by the parent company alone, arose from its U.S. subsidiaries. Only Toyota Australia Motor Industries, among the overseas units, report a deficit.

During the year to June, Toyota sold 1.54m vehicles on the domestic market, where its share rose to 41.1 per cent from 40.6 per cent in spite of intense sales competition, and 1.67m units overseas. In contrast the company's main Japanese rival, Nissan, saw its share of the domestic market fall from almost 31 per cent to 28.8 per cent in the same period.

In addition to vehicle sales the group had autoparts sales totalling Y430bn, of which the overseas component came to Y190bn. There was also a Y40bn income from the sale overseas of knock-down (KD) sets.

Toyota's total assets were valued at Y3,219bn at the end of June and its shareholders funds to debts ratio was 58.7 per cent, 4 per cent lower than that of the parent company. This year's consolidated net profits per share were Y94.33 compared with Y83.27 for the parent.

Caltex Australia registers A$21.5m mid-term deficit

BY OUR SYDNEY CORRESPONDENT

CALTEX AUSTRALIA, the U.S.-controlled oil refiner and marketer, has suffered further heavy losses in its latest half-year, with a net deficit of A$21.5m (U.S.$19.3m) for the period compared with a A$5.4m loss previously.

The half-year loss is almost treble the total net loss of A$7.8m reported for all of 1982 and at the pre-tax level of A$41.6m it is significantly higher than the 1982 pre-tax deficit of A$24.8m.

Caltex operates Australia's largest oil refinery but has been operating the plant at only around two thirds of capacity of late and since its May 1981 acquisition of the Golden Fleece chain has seen its combined market share shrink.

It has also suffered from its ties to long-term supplies of Aramco crude through its 70 per cent controlling shareholders Socal and Texaco, as well as a freight differential on its supplies of Bass Strait crude compared with some of its rivals, all of whom swap products quantity-to-quantity for supplies in the states where they do not have refineries.

The company said it encountered intense competition in attempting to maintain volumes of retail sales, with consequent discounting. Sales for the half-year advanced by 8 per cent to A$984.7m. Interest charges remained high but steady at A$26.9m although the company said borrowings to fund working capital had been significantly reduced and it was considering alternatives to restructure a large part of its mainly short term debt, which totalled A$286m on January 1.

Loss for Bond in second half of year

By Lachlan Drummond in Sydney

MR ALAN BOND'S Bond Corporation Holdings seems to have shipped water in the final half of its year to June 30, incurring a A$3.23m (U.S.$2.87m) net loss although net annual profit was ahead from A$4.3m to A$6.84m.

The result from Bond Corp includes a full year's return from the Swan Brewery in Perth as well as the company's property interests and brickworks, but excludes any contribution from its 42 per cent owned retailer, Waltons Bond, or the coal and diamond assets bought from its associate Endeavour Resources, as from June 30.

The final half year loss went unexplained by Bond Corporation, although the increased annual interest bill of $27.7m against A$19.5m (with A$13m falling in the second half), was a significant feature.

The net result, meanwhile, excluded A$12.3m of extraordinary losses from its unsuccessful takeover offer for the Grace Brothers retailing group in the year, representing mainly the difference between the redemption value of preference shares issued in return for part of its Grace holding and the cash price it received on accepting the rival offer from the Myer group.

In the previous year there had been a A$47m extraordinary gain from the sale of its interests in Santos and other Cooper Basin oil and gas groups.

This left Bond's attributable loss at A$5.4m for the latest year, compared with a A$51.3m profit previously. Turnover for the year climbed 26 per cent from A$224m to A$309m while the net profit was struck after a tax credit of A$913,000 and depreciation of A$10.7m against A$3.36m, with turnover and depreciation reflecting the full year of Swan Brewery.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

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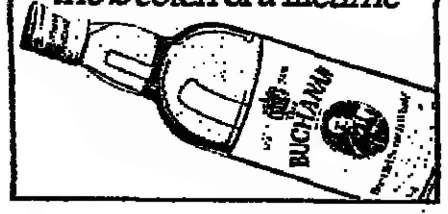

BRITISH FUNDS

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
102½	100¼	Exch. 13½pc '83	100¼	......	15.44	9.31
100¼	96¾	Exch. 10pc 1983	100⅛	......	9.99	9.27
99¼	96¼	Funding 5½pc '82-84‡‡	99⅛	−⅛	5.55	8.67
101¼	99½	Exch. 11¼pc 1984	100¼	−⅛	11.19	9.47
104⅛	100½	Exchequer 14pc 1984	102⅜	......	13.67	9.89
95¾	92½	Exch. 3pc 1984	95⅝	......	3.14	9.43
102½	100½	Treasury 12pc 1984	102⅛	−⅛	11.74	9.64
107½	104½	Treasury 15pc 1985	105¼	......	14.10	10.36
107	101⅛	Exch. 12pc Cnv. '83	102⅝	......	11.69	10.03
92⅜	88⅝	Treasury 3pc 1983	92⅛	......	3.26	0.28
102½	99⅜	Treasury 11½pc 1985	102⅛	......	11.25	10.07
102	95	Treas 8¾pcCnv '85	98⅛	+⅛	8.90	9.71
103⅝	100⅛	Exch. 12¼pc 1983	103¼	......	11.86	10.46
102⅝	99⅛	Exch. 11¾pc '86	102⅛	......	11.48	10.59
101⅛	97¼	Treas 10pc Cnv 1986	100⅛	......	9.99	9.95
88½	85⅝	Treasury 3pc 1986	87⅛	......	3.43	0.45
101½	97⅛	Exch. 10½pc Cv '86	99½	......	10.51	10.51
103½	100⅛	Treasury 12pc '86	102½	......	11.71	10.86
95⅝	94⅛	Treasury 8¾pc '84-86‡‡	95⅛	......	0.89	10.35
114	103¼	Treas. 12¼pc '86 Cnv.	108½	......	11.28	8.70
109⅛	105⅛	Exch. 14pc 1986	107¼xd	......	13.00	10.97
107⅛	103⅝	Exch. 13¼pc 1987	105⅞	......	11.51	11.03
98½	95⅞	Tr 10¼pc Cv '87	98⅛	+⅛	10.42	10.83
84⅛	80¼	Exchequer 2½pc 1987	81⅛	−⅛	3.07	8.98
100⅛	95⅞	Exch. 10½pc 1987	98½xd	−⅛	10.62	10.91
93¼	88⅛	Funding 6½pc '85-87‡‡	88½xd	......	7.31	10.29
21⅛	20	Treas 10pc '87 (£20pd)	20½	+⅛	10.26	10.88
86	80¼	Treasury 3pc 1987	81⅛	−⅛	3.68	8.83
104⅝	99⅞	Treas 12pc 1987	103⅛xd	+⅛	11.65	11.05
93¼	89⅝	Treasury 7¾pc '85-88‡‡	90⅝	......	8.58	10.56
101½	95½	Exch 10½pc '88	98½	−⅛	10.65	10.90
30	30	Treas 9¾pcCv'88(£30pd)	30	......	10.10	10.73
81½	75¾	Transport 3pc '78-88	77½	......	3.88	8.95
		Five to Fifteen Years				
96¾	90¼	Treas. 9½pc '88	93⅝xd	......	10.08	11.03
104⅝	95¾	Treasury 11½pc 1989	102⅜	......	11.41	11.27
102	94¼	Treas 10½pc 1989	100⅝	......	10.86	11.29
83¼	76	Treasury 5pc '86-89	79xd	−⅛	6.32	9.63
112¼	103	Treasury 13pc 1990‡‡	110¼	......	11.10	11.29
108¾	100⅞	Exch. 12½pc 1990	105⅜	......	11.86	11.31
92	86¼	Treasury 8¼pc '87-90‡‡	91⅛	......	9.28	10.59
106¼	97	Treasury 11¾pc 1991	104½	......	11.55	11.36
83	74⅜	Funding 5¾pc '87-91‡‡	78¾xd	......	7.34	9.89
103	95⅞	Exch. 11pc 1991	98⅝xd	+⅛	11.09	11.14
114⅛	102	Treasury 12¾pc '92‡‡	110¼	......	11.84	11.27
99⅞	88¾	Treasury 10pc 1992	96⅞	......	10.44	10.78
110¼	98½	Exch. 12¼pc '92	106⅜	......	11.65	11.91
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Over Fifteen Years

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Undated

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Index-Linked

1983 High	Low	Stock	Price £	+ or −	(1)	(2)
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Prospective real redemption rate on projected inflation of (1) 10% and (2) 7%.

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CORPORATION LOANS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

LOANS
Public Board and Ind.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

LOANS—continued

Financial

Building Societies

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FOREIGN BONDS & RAILS

1983 High	Low	Stock	Price £	+ or −	Div. %	Red. Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AMERICANS

1983 High	Low	Stock	Price £	+ or −	Div. Gross	Cvr	Yld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CANADIANS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BANKS, H.P. & LEASING

1983 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BANKS—Continued

1983 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Hire Purchase, Leasing, etc.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BEERS, WINES & SPIRITS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CHEMICALS, PLASTICS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CHEMICALS, PLASTICS—Cont.

1983 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DRAPERY AND STORES

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ELECTRICALS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ENGINEERING MACHINE TOOLS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FOOD, GROCERIES, ETC.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

HOTELS AND CATERERS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INDUSTRIALS (Miscel.)

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INSURANCE & OVERSEAS MANAGED FUNDS

London A'deen & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF. 01-404 0393

'Asset Builder'	65.4	69.3	....	—

London Indemnity & Gnl. Ins. Co. Ltd
18-20, The Forbury, Reading 583511

Money Mngr Sept 15	62.2	66.0	....	—
MM Flexible Sept 6	52.5	55.4	....	—
Fixed Interest Sept 1	54.7	57.7	....	—

London Life Linked Assur. Ltd.
100, Temple St., Bristol, BS1 6EA. 0272-279179
See adjacent Page Mon-Fri and Stock Exchange Page Sat.

London & Manchester Gp.
Winslade Park, Exeter EX5 1DS. 0392 52155

Invest. T-L Fd. Cap.	290.9	—	−0.1	—
Invest. Tst. Fd. Acc.	307.4	—	−0.1	12.3
Property Fund Cap.	117.2	—	+0.1	—
Property Fund Acc.	123.5	—	−0.1	4.3
Flexible Fund Cap.	101.8	—	−0.1	—
Flexible Fund Acc.	191.6	—	....	4.4
Fixed Int. Fd. Cap.	139.6	—	−0.4	—
Fixed Int. Fd. Acc.	147.3	—	−0.4	—
Gtd. Deposit Fd. Cap.	138.9	—	....	—
Gtd. Deposit Fd. Acc.	145.4	—	....	—
Equity Fund Cap.	129.9	—	−0.1	—
Equity Fund Acc.	136.5	—	−0.1	—
International Fd. Cap.	139.5	—	−0.2	—
International Fd. Acc.	146.6	—	−0.2	—
Capital Gwth. Fd.	420.8	—	−0.2	—

OFFSHORE AND OVERSEAS

Wren Commodity Management Ltd.
10, St. George's St., Douglas IoM 0624 25015

Wren Com. Fund	24.6	25.6	....	—
Chinese Fund	65.9	68.7	....	—
Precious Metal Fund	120.3	125.3	....	—
Vanguard Cmdy. Fd.	37.1	38.1	....	—
Financial Futures Fd.	76.4	79.6	....	—
Wren Intl. Fnd.*	$0.560	6.583	....	—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ‡ Yield column shows annualised rate of NAV increase.

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FINANCIAL TIMES

Saturday October 1 1983

MAN IN THE NEWS

Debtors' flying doctor

BY PETER MONTAGNON

MR WILLIAM R. RHODES, is a man with a $250bn problem. As senior corporate officer for Latin America on Citibank he could have been expected to play a leading role in sorting out the agonising debt problems of a stricken continent. But so good is he at this job that he has found himself in charge of international bank committees handling the affairs of no less than five countries—Argentina, Brazil, Mexico, Peru and Uruguay. This year he will have played a leading role in steering through the renegotiation of more than $30bn in maturing bank debts.

So prominent has Mr Rhodes become in Latin America that journalists following this week's annual meeting of the International Monetary Fund began to treat him as if he was Princess Diana on a visit to Rio. On several occasions he was forced

William R. Rhodes

to use the rear elevator of Washington's exclusive Mayflower Hotel to avoid the attention of waiting pressmen. American journalists don't like writing about him because they say it is so hard to be critical, but the Washington Post has already compared him to Superman—a rare accolade for New York's closest equivalent to a real City Gent.

Superficially the resemblance is indeed striking. Like Clarke Kent, the Superman of the films, Mr Rhodes, 48, is a clean-cut Ivy League American, a graduate of the high-class Brown University in Providence, Rhode Island. But the talents that Mr Rhodes has put to work on behalf of Latin America are rather different from those of Clarke Kent. They are born of more mundane stuff—hard work, an intimate knowledge of Latin America built up over many years, a sense of humour and a scrupulous sense of fair play that has earned him the respect of creditors and debtors alike.

Mr Rhodes joined Citibank in 1957 and his whole career with the bank has been involved with its Latin American and Caribbean operations, including a long spell in Caracas in the late 1970s. But unlike most other bankers he has always cultivated opposition figures as well as Government officials and state agency borrowers. A fluent Spanish speaker, "he immerses himself in the culture, politics and language of a country," said a colleague.

In Jamaica he has achieved the unusual distinction of becoming a personal friend of both former Prime Minister Michael Manley and the present Prime Minister Mr Edward Seaga. The debt crisis has brought him into a very close working relationship with M Jacques de Larosiere, managing director of the IMF, as well as Mr Paul Volcker, chairman of the Federal Reserve Board.

But the price of fame has been heavy. In the last year Mr Rhodes has had only 4½ days' holiday (in the Bahamas) and says bleakly that he has worked "most weekends." This week he attended the four-hour meeting of Brazil's creditors at which a $11bn debt rescue package was sewn up in principle and then spent most of the following night "putting out the fires in Argentina."

There is no doubt that Mr Rhodes enjoys being in the limelight. He is acutely aware of all that is written about him, and unlike many of his anonymous colleagues likes to be quoted in the Press—at least when he has good news to report. But he also derives a more subtle advantage from the superstar label. It has allowed him to become an almost unreal figure in the world of international banking—moving only in the most elevated circles way above the petty complaints and anxieties of the myriad small bank creditors with loans outstanding to the stricken countries.

Italy unveils tough budget

BY JAMES BUXTON IN ROME

THE ITALIAN Socialist Government led by Sig Bettino Craxi yesterday presented to the Senate a tough budget for 1984 entailing higher taxation and sharp cuts in welfare spending.

Its aim is to cut the exploding public sector deficit by L40,000bn (£16.5bn) and reduce inflation by a third to 15.2 per cent.

Trade unions were predictably critical of the cuts in health and social security spending. However, the Milan bourse rose slightly on the news that the package did not, as some had feared, include a wealth tax.

Few qualified observers believe that the measures the Government is proposing will be sufficient to attain its objectives. They are certain to meet with strong opposition in parliament.

Faced with the prospect of the public sector borrowing requirement soaring to L130,000bn next year, about 21 per cent of Gross Domestic Product, the budget includes measures to reduce the deficit to about L90,000bn.

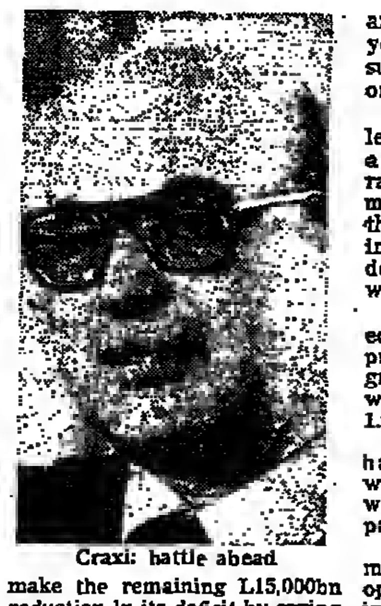
This means that the Government has already abandoned its target, set when it came to power at the beginning of August, of cutting the 1984 deficit to L80,000bn (13 per cent of GDP).

The Government intends to save L10,000bn by reducing child allowances for higher-income families, curbing free medicines, setting health spending limits for regional governments and restricting disability pensions.

Defence spending is to be cut by L1,500bn, in spite of protests from the Chief of Staff. Other unspecified savings amounting to L3,500bn are planned.

On the revenue side some L5,500bn is expected to be raised by an amnesty exempting those who have infringed building regulations from fines in return for payment of tax arrears, and a further L4,500bn by raising company taxes, the levy on bank deposit interest, and other measures.

The Government hopes to make the remaining L15,000bn reduction in its deficit by saving L10,000bn in interest payments on its debt.



Craxi: battle ahead

Sig Luigi Longo, the Budget Minister, told a Cabinet meeting on Thursday night that the annual inflation rate for this year would be 15.2 per cent, substantially higher than the original target of 13 per cent.

The Government is nevertheless sticking to its objective of a 10.5 per cent annual inflation rate next year. It intends to make a further modification of the "scala mobile" wage indexation system, and hold down real wages in agreement with the unions.

The Government expects the economy to emerge from the present recession next year and grow by 2 per cent, compared with this year's expected fall of 1.2 per cent.

It will undoubtedly face a hard battle in getting the budget with its politically sensitive welfare spending cuts through parliament.

Many Christian Democrats, members of the ruling coalition, oppose the cuts but in an important development both houses of parliament have agreed to finish considering the budget by about the end of this year instead of the following April.

Creusot-Loire renews rescue plea

BY DAVID MARSH IN PARIS

CREUSOT-LOIRE, the troubled French engineering concern, yesterday stepped up pressure for government action to resolve its financial problems as the company's repayment of a FFr 266m (£22m) loan owed to Framatome, its nuclear reactor subsidiary came due.

In another move aimed partly at speeding up Industry Ministry decisions on restructuring Creusot-Loire's steel and nuclear engineering activities, trade unions announced yesterday that the company planned to cut between 4,000 and 4,500 jobs over the next few years.

Creusot-Loire is part of the Empain-Schneider group, one of France's largest private sector industrial concerns.

Faced with mounting losses and a need for new cash estimated at FFr 7bn over the next three or four years, the company has threatened to file for bankruptcy unless the Government gives quick approval for an overall rescue package centred on purchases by state-owned groups of important parts of its steel and nuclear activities.

Last night it was not clear whether Creusot-Loire had met the end of September deadline for making the FFr 266m repayment. It is part of an overall inter-company credit of FFr 1.5bn granted by Framatome several months ago.

Framatome is 70 per cent owned by Creusot-Loire and 30 per cent by the French Atomic Energy Agency which looks increasingly likely to increase its stake as part of the overall rescue plan.

Creusot-Loire last night said "it would help" if Framatome accorded a delay on the loan repayment.

Underlining the general interpretation that the engineering group was trying to stress its financial plight to speed up ministerial decision-making, one government official connected with the affair, said it was unclear whether Creusot-Loire could not or would not pay.

Another official said the uncertainty over the loan repayment seemed to be part of Creusot-Loire's general attempts to secure the best financial and industrial outcome to its troubles.

If the company failed to make the repayment, he added, Framatome, as a 70 per cent owned subsidiary, was "unlikely to send in the bailiffs."

Even though Creusot-Loire is unlikely to be called formally into default, the affair is being watched closely by the company's big French banking creditors, which are being asked to play an important part in the overall financial restructuring.

Creusot-Loire, which declared losses of FFr 670m last year, employs 30,700. As part of plans put forward by the management to sell most of its steel activities to Usinor and Sacilor, the state steel groups, the company has been envisaging steep workforce cuts for some time.

Tories face conference concern over cuts

BY PETER RIDDELL, POLITICAL EDITOR

THE Conservative Party leadership faces considerable potential embarrassment over the welfare state and the National Health Service at its party conference in Blackpool in 10 days.

Several fringe meetings have been arranged which will focus attention on the NHS. Some prominent "wets," both inside and outside the Government, are expected to express their worry about the direction and political impact of present policies on the welfare state.

Ministers and party managers have become increasingly concerned in recent weeks that the Government has been losing public sympathy on the NHS issue following the recent squeeze on resources and staff numbers. Reports have come in of worry and bewilderment among some constituency activists and Conservative members of local health authorities.

Little of this concern is likely to be expressed during the Conservative conference itself. Most of the motions submitted, including the one chosen for debate, are bland and urge attacks on administrative overmanning and greater co-operation with the private sector.

Most of the criticism is likely to come at fringe meetings, notably those organised by the Tory Reform Group, the main "wet" body outside parliament.

In particular, Sir Ian Gilmour, the former Cabinet minister and a strong critic of the present economic strategy, is due to make his first public statement for several months on the theme Is Toryism Dead?

Other speakers include Mr Peter Walker, Energy Secretary, on the theme One Nation in the 1980s. This is generally seen as a code for the consensus welfare and economic policies of the 1950s and 1960s in contrast to Thatcherism.

Mr James Prior, Northern Ireland Secretary, is also due to speak, and the Tory Reform Group has arranged a panel featuring most of the main welfare state pressure groups.

Members of the group are worried about recent trends in government policy on the welfare state. They feel welfare services must be defended.

The activities of the "wets" may be no more than a pinprick to Mrs Thatcher in her present ebullient mood. However, the party leadership is still extremely sensitive about the welfare state, which it believes was the one issue on which the Conservatives lost ground to the other main parties during the general election.

The Government is likely to counter-attack with a series of ministerial speeches, arguing that the cuts in staff have been relatively small and that expenditure is still rising in real terms.

Labour HQ

Continued from Page 1

union democracy that unions should ballot their members every 10 years on the continued existence of their political funds.

It is thought certain that some unions would vote against maintaining such a fund on the first ballot, thus reducing further the party's potential support.

An article in the party's newspaper, Labour Weekly, yesterday said that its £500,000 overdraft could be halved by the end of this financial year, but only through cuts in staff and services.

On policy, the main priority is seen as the need to win back the working class vote, about 39 per cent of trade union members voted for Labour in the June general election. Union leaders have agreed on the need to review policy, as well as organisation and image, with a critical eye.

The unions are likely to give broad support to proposals brought forward by the party's national executive committee under the title "Campaigning for a Fairer Britain," which frees the leadership's hands on such policy issues as the European Community and defence.

Key leaders such as Mr David Basnett, of the General and Municipal Workers, and Mr Clive Jenkins, of ASTMS, will argue for unity, flexibility and an open-minded approach to future policy making.

Richard Shops

Continued from Page 1

day: "We were not interested in Collier and its problems so we did not have an opportunity to come in before. When the financial institutions did not produce the goods, we simply stepped into their shoes. It suited us admirably."

It appears that the buy-out as originally conceived by Laurie Milbank and Kleinwort Benson, the merchant banking advisor to the managers, failed to reach its £30.3m equity funding target by at least £6m and probably a lot more.

But while the City's professional fund managers dithered, Habitat Mothercare stepped in to pick up what Sir Terence described yesterday as an "outstanding property portfolio opportunity in the High Street."

He was also enthusiastic about the management he had acquired. "They are very dynamic and extremely keen to get to grips with Richard Shops' problems," he said.

IMF chief backs Brazil squeeze

BY PETER MONTAGNON IN WASHINGTON

TO BOLSTER support for Brazil's new debt rescue package Mr Jacques de Larosiere, managing director of the International Monetary Fund, gave a rare public endorsement yesterday of the country's economic austerity programme.

Brazil had recently taken some "extremely impressive" domestic adjustment measures, he told the closing press conference of the IMF annual meeting in Washington.

It had also seen a "sharp, if not spectacular" improvement this year in its foreign trade account.

Brazilian officials are forecasting that the country's trade surplus this year will be closer to $7bn (£4.7bn) than the $6bn originally targeted.

Mr de Larosière said he was "pretty confident" that commercial banks and government creditors of Brazil would complete by mid-November the proposed $11bn loan package designed to back the austerity programme.

A further indication of the way authorities are moving to overcome the reluctance of some commercial banks to put fresh money into the country came yesterday with an announcement from the Inter-American Development Bank that it had reached outline agreement with Brazil on increased financing as part of the $11bn package.

The Inter-American Bank said in a statement that it would begin work immediately on a large loan for Brazil to offset the effects of bad weather. In addition it will speed disbursements under its normal loan programmes for Brazil.

More than half next year's Brazilian loan applications, totalling $400m, will be submitted for approval by the bank's board in the first quarter.

It is expected that Brazil may thereby obtain up to $360m in disbursements from the bank in 1984, "an amount substantially higher than ever before."

Weather

UK TODAY

CLOUDY with strong winds.

London, SE England
Bright start, some rain later. Max 19C (66F).

SW, NE England, Midlands, S Wales, SE Scotland
Outbreaks of rain, clearing later. Max 17C (63F).

NW England, N Wales, SW, NW Scotland, N Ireland
Rain clearing to showers. Max 16C (61F).

NE Scotland
Showers turning to rain. Max 16C (61F).

Outlook: changeable.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	R	19	66	Luxmbg.	F	20	68
Algiers	S	29	84	Madeira	S	24	75
Amsdm.	C	14	57	Madrid	F	17	63
Athens	S	26	79	Majorca	F	25	77
Bahrain		—	—	Malaga		—	—
Barclna.	S	25	77	Malta	F	27	81
Beirut	C	27	81	M'chstr	C	14	57
Belfast	C	13	55	Melbne.	C	17	63
Belgrd.	S	26	79	Miami†	S	22	72
Berlin	S	13	55	Milan	F	22	72
Biarritz	F	20	68	Montrl.†	S	10	50
Bmghm.	R	14	57	Moscow	C	7	45
Blackpl.	C	14	57	Munich	F	20	68
Bombay		—	—	Nairobi	C	26	79
Bordx.	F	23	73	Naples	F	23	73
Boulgn.	C	16	61	Nassau		—	—
Bristol	C	15	59	Nwcstl	C	13	55
Brussels	Fg	15	59	N Delhi	F	33	91
Budpst.	S	23	73	N York†	R	13	55
Cairo		—	—	Nice	C	22	72
Cardiff	C	15	59	Nicosia	S	27	81
Cape T.	R	13	55	Oporto	F	21	70
Chicg.†	S	9	48	Oslo	S	10	50
Cologne	Fg	14	57	Paris	S	18	64
Cpnhgn.	S	12	54	Peking	S	26	79
Corfu	S	25	77	Perth	S	22	72
Dallas	S	16	61	Prague	S	18	64
Dublin	C	14	57	Rykjvk.	C	7	45
Dbrvnk.	S	24	75	Rhodes	S	25	77
Ednbgh.	C	11	52	Rio J'o		—	—
Faro	S	26	79	Rome	F	24	75
Florence	C	23	73	Salzbrg.	S	22	72
Frankft.	S	19	66	S'ciscot	R	15	59
Geneva	S	20	68	Singapr.		—	—
Gibrltr.	S	26	79	S'tiago		—	—
Gl'sg'w	R	12	54	Stckhm.	S	8	46
G'nsey	C	16	61	Strasbg.	F	23	73
Helsinki	F	7	45	Sydney	F	20	68
H Kong	R	24	75	Tangier	F	24	75
Innsbrk.	F	21	70	Tel Aviv	S	27	81
Invrnss.	F	11	52	Tenerife	F	25	77
I.o.Man	C	13	55	Tokyo		—	—
Istanbul	S	24	75	T'ronto†	S	10	50
Jersey	C	15	59	Tunis	F	28	82
Jo'burg	S	28	82	Valencia	F	27	81
L. Plms	S	25	77	Venice	S	21	70
Lisbon	S	23	73	Vienna	S	21	70
Locarno	Fg	30	86	Warsaw	C	10	50
London	C	17	63	Zurich	F	21	70
L. Ang†	C	17	63				

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny.
† Noon GMT temperatures.

THE LEX COLUMN

The buy-out takes a back seat

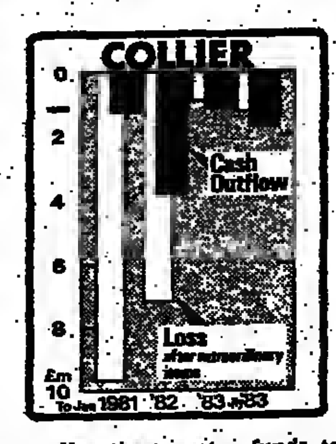
The institutions' new-found enthusiasm for management buy-outs has been tested to the limit by Hanson Trust, which has failed to find institutional buyers for Richard Shops. While the Collier buy-out has succeeded, Richard Shops has effectively become a subsidiary of Habitat Mothercare, which stepped in late yesterday to take up the bulk of the equity.

It always seemed odd that institutional buyers might be prepared to pay as much for the two retailing chains as a High Street rival like Mothercare, or Burton—which figured largely in an earlier round of negotiations and remained enthusiastic. The records of the managements of Collier and Richard Shops have been uninspiring and in the latter case new personnel was to come in and would have been untried. The two chains would seem to be worth far more to either Mothercare or Burton than to any conceivable grouping of institutions. Habitat is keen on expansion and will be able to cut out overheads.

In the case of Richard Shops it was noticeable that a range of institutions which were among the pioneers of the buy-out in the UK were standing well clear, deterred by the price. Their attitude was responsible for a change of heart among other, less experienced, institutions, which pulled out of the Richard Shops deal at the last moment. The turnround in this case may mark a high-water point for buy-outs—which have been growing rapidly in number and size in recent months. Certainly, the chances of the prospective vendors of Jaguar cars and Ellerman's shipping division, for example, achieving a fancy price through this route may now look rather more remote.

The fashion for buy-outs among the institutions seems to be mainly due to some very favourable experiences in the last two years. Even though the companies have been highly geared, so far none of any significance has failed, although Ansafone and Hornby are still not out of the woods. More to the point, there have been some spectacular successes to whet the appetite. Stone International, bought from the Stone-Platt receiver is galloping towards a listing. The run-up in the value of the equity element in the computer maintenance company, DPCE, between buy-out and flotation two years later was a staggering 100 times or so. Institutions

Index rose 2.9 to 702.6



are allocating greater funds to unquoted investments; buy-outs may have been seen as a low-risk alternative to pure venture capital.

The typical buy-out emerges in a highly-geared state, which would bring it quickly to its knees if anything went wrong. The success rate suggests that there are some fundamental factors working for them. The economic climate has been favourable over the last two years (as the statistics are belatedly beginning to acknowledge) although real interest rates will have been an inhibiting factor. The theoretical argument — that managers are motivated by a large chunk of the equity—may also play an important part in practice. More cynically, it looks as if many buy-out terms have been extremely generous.

At one level it has made sense for parent companies to sell out fairly cheaply. Buy-outs have tended to involve prosaic companies, which are loss-making but spin off cash. On their own managers can run down their businesses over a period to a level at which they are profitable, a process which throws off cash to bring down the gearing. A quoted parent is likely to be much more concerned about the depressing effect on profits—and its stock market rating. Local managers may also have succeeded in disguising their true profits trend, assets and cash flow from head office. At the same time the buoyant market for executives has allowed managements to put pressure on the parent board by threatening to leave en masse.

Pricing a company involves forecasting its shape five years out, so it is more of an art than a science. And there are signs that the growing institutional enthusiasm has been flushing out the wrong kind of company at too high a price. In the cases of both Collier and Richard Shops, for instance, the buy-out promoters were placing a heavy reliance on asset backing: but if the assets could not be made to produce a proper return, the interest burden could have proved crippling—and may still do so in the case of Collier.

Irish economy

So disastrous was the trend in Ireland's public sector spending last year that for the FitzGerald government to have arrested its current expenditure at just over 50 per cent of this year's estimated GNP must count as a triumph of sorts. At least this signals a glimmer of realism in Dublin and the squeeze imposed by the February budget has yielded the immediate dividend of a fast dwindling trade deficit. But the squeeze has been effected only by a stop-gap six month freeze on public sector wages—now giving way to a 4.75 per cent rise from September 1—and by heavier taxation. The two together look a dubious substitute for real reductions in public spending.

The parlous state of the Irish economy has inevitably been a shrinking of domestic margins for groups like Jefferson Smurfit, which has moved decisively to build up its profit base in the U.S. The group's interim pre-tax profit of IR£2.6m against IR£5.6m announced yesterday, include only IR£1.7m operating profits in the republic down from IR£3.6m in the previous first half. Jefferson Smurfit now has 56 per cent of its sales in the U.S., a proportion obviously set to rise after the proposed issue of 2.5m new shares in New York—at a price which looks set to value the U.S. operations well over the existing £150m capitalisation of the whole group in the London market at last night's 116p closing price.

As Jefferson Smurfit moves away from its home base, the Irish economy remains heavily dependent on new investment by foreign companies if unemployment is to be kept even within its present range around 15 per cent. The proportion of the population aged 25-44 is climbing rapidly. But with about a quarter of the employed population working in the public sector, the pressing problem may stem from the real cuts in spending still to be tackled.

هكذا من الأصل

27

MINES—continued

Australians

[illegible]

Tins

[illegible]

Miscellaneous

[illegible]

NOTES

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

REGIONAL AND IRISH STOCKS

[illegible]

OPTIONS

3-month Call Rates

[illegible]

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هكذا من الأصل

OVERSEAS NEWS

New Kenyan cabinet streamlined

By Michael Holman in Nairobi

President Daniel arap Moi of Kenya announced his post-election Cabinet, reduced from 27 to 20, over the weekend.

The new finance minister is Mr George Saitoti, former head of the mathematics department at Nairobi University, who was nominated as a Member of Parliament by Mr Moi under a constitutional provision which allows him to appoint up to 12 MPs.

Mr Saitoti's predecessor, Mr Artheur Magugu, is switched to works and housing. The former tourism minister, Mr Elijah Mwangale, takes over foreign affairs.

U.S. boosts trade links with S. Africa

THE U.S. Government has expanded its trade promotion facilities in South Africa as part of a gradual move away from its long-standing neutral policy towards commercial ties between the two countries, Bernard Simon writes from Johannesburg.

Mr George Trail, U.S. consul general in Johannesburg, confirmed yesterday that an additional commercial officer has been appointed to the consulate's staff and that the trade section has been transferred from the control of the State Department to the Commerce Department.

Chilean opposition calls more protests

Chile's opposition leaders have called for a protest march against General Augusto Pinochet's regime on October 11 and a sixth national day of protest, on October 13, Mary Helen Spooner writes from Santiago.

Greece, Ireland and Italy main EEC beneficiaries

BY JOHN WYLES IN BRUSSELS

GREECE, Ireland and Italy, the three poorest countries in the EEC, drew a record £1.69m more from the Community budget thn they paid in last year, thanks largely to the benefits of the Common Agricultural Policy.

Although this total was slightly reduced by contributions made to a special rebate to the UK, the three countries' growing net receipts from the Community budget go a long way towards explaining their defensiveness in current negotiations on CAP economies.

Recent confidential figures produced by the European Commission also do much to account for the negotiating caution being displayed by Denmark and France. CAP savings coupled with a shift in spending towards poorer areas of the Community could wipe out the net benefits paid to Denmark and leave France paying significantly more to Brussels than it gets back.

Although France and Denmark frequently complain that the UK is obsessed with its negative budget balance, fears of budgetary losses are a certain factor in their approach to the negotiations on EEC reform and refinancing which resume in Athens next week.

A major talking point in EEC capitals is the huge net gains now being registered by Italy and Greece. These are due largely to the steady expansion of CAP spending on Mediterranean products, the overall share of which in the farm budget has more than doubled to 22 per cent over the past five years.

EEC MEMBER STATES BUDGET BALANCES (1982)*

	1982 ECUm†	1981 ECUm†
Belgium and Luxembourg	+509	+515
Denmark	+295	+279
W. Germany	−2,086	−1,484
Greece	+685	+173
France	−19	+576
Ireland	+732	+582
Italy	+1,616	+788
Netherlands	+304	+239
UK	−2,036	−1,419

* Before payment of special rebates to the UK. † European Currency Unit=£0.558.

Last attempt at Ravenscraig deal

BY PETER BRUCE IN VIENNA

BRITISH Steel Corporation executives are to make a final attempt in Vienna today to salvage the controversial "steel swap" joint venture between United States Steel Corporation and BSC's Ravenscraig works.

Mr Robert Haslam, the new BSC chariman, and Mr Bob Scholey, chief executive, were last night trying to arrange talks with Mr David Roderick, president of US Steel. The two sides are in Vienna for the annual International Iron and Steel Institute conference.

The deal would involve all crude steel slab made at Ravenscraig, Scotland, being finished at US Steel's Fairless works in Pennsylvania.

BSC believes the deal has better changes than the 50-50 odds predicted last week by e senior US Steel official. This could mean that the greatest barrier to the deal, US Steel's insistence that BSC invest some $600m (£400m) in the plant to help modernise it, has been at least partially overcome.

The deal has been widely opposed by unions and politicians in the UK and U.S.

BSC executives are keenly aware that Mr Roderick has had other offers of slab for Fairless —where crude steelmaking plant is antiquated and lo-efficient. Offers are understood to have come from Brazil and, according to recent reports, e West German steel plant manufacturer is negotiating with a Brazilian works to buy slab and sell it to US Steel in return for orders for steel plant from the Brazilians.

Japanese machine tool makers recover

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

JAPAN's deeply depressed machine tool industry is showing signs of recovery, although officials at the Japan Machine Tool Industry Association (JMTIA) claim that the effects of last year's slump in orders and production will be felt for a long time.

Orders received by the 68 main manufacturers fell 18 per cent last year to Y517bn (£1.44bn)—the lowest level since 1979 when the industry was at the beginning of a boom.

JMTIA originally expected orders to be down steeply again in 1983. However conditions are improving quite rapidly.

Orders received by the major companies edged above year-ago levels by 5 per cent in July after recording e year-on-year fall of 5 per cent in the previous three months.

The April-June fall reflected e 10 per ceot decline io domestic orders from a year earlier partly offset by a 14 per cent recovery in export orders.

Export shipments were still falling fast in the first half of 1983 reflecting the state of export orders about six months earlier. However, the few bright spots in the market could indicate conditions in the year. Shipments of machining centres — in which Japan is particularly strong—began to revive before the second quarter's 9 per cent rise in volume from year earlier levels. Shipments to Western Europe rose 11 per cent, largely because of a strong demand in West Germany.

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